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ISSUANCE DATE: January 7, 2002
CLOSING DATE: March 1, 2002
CLOSING TIME: 4:00 PM (Yerevan Time)

Subject: Request for Proposal (RFP) No. 111-02-016, USAID/Armenia Bank Supervision – Phase II

The United States Government, represented by the U.S. Agency for International Development (USAID), is seeking proposals from qualified organizations interested in providing the services described in the attached solicitation.

If you decide to submit a proposal, it must be submitted in accordance with the attached solicitation and received in Yerevan no later than the date and time indicated above. Offerors are advised that a minimum of 5 days should be allowed for proposals sent by courier. A minimum of 3 weeks should be allowed for proposals sent through the Washington, D.C. State Department address.

This procurement shall be conducted under full and open competition, under which any type of organization (large or small commercial [for profit] firms, educational institutions, non-profit organizations) is eligible to compete. The procedures set forth in FAR Part 15 shall apply. USAID plans to award a 2-year cost plus fixed fee, completion type contract with a total estimated cost in the range of \$3-3.5 million for implementation of this activity. Revealing the cost range for the contract does not mean that offerors should necessarily strive to meet the maximum amount. Cost proposals shall be evaluated as a part of a Best Value determination for contract award. The offeror is to propose the LOE and staffing according to the offeror's approach for achieving results. The offeror is also to propose key personnel positions and candidates. Sections B through J of the solicitation will become the contract, with blanks completed by the Contracting Officer based on the successful proposal.

This solicitation contains a price evaluation adjustment which will be applied to proposals from offerors which are not U.S. small disadvantaged businesses (SDBs) and to U.S. SDB offerors that waive the adjustment (See Section I of the solicitation). A U.S. SDB offeror that does not waive the adjustment will have limitations on the amount of work that it may subcontract. It should be noted that if the offeror (Prime Contractor) is not a U.S. small business, U.S. small disadvantaged or U.S. women-owned small business concern, a small business subcontracting plan must be submitted as a part of the proposal. Pursuant to FAR 19.702(a)(1), if an acceptable subcontracting plan cannot be negotiated, the offeror will be ineligible for award.

As part of the evaluation criteria addressing Past Performance, offerors are required to demonstrate effective use of Small, Small Disadvantaged and Women-owned Small Businesses in activities undertaken in the past. This factor will not apply to a U.S. SDB offeror that does not waive the price evaluation adjustment described above. Information required for evaluation of this factor may go beyond, and require supplementation to, the information included in the small business subcontracting plan described in the preceding paragraph.

The NAIC Code for this solicitation is 541816 and the small business size standard for this procurement is a U.S. firm which is organized for profit and whose average annual receipts during the offeror's preceding three years does not exceed \$5 million.

This solicitation in no way obligates USAID to award a contract, nor does it commit USAID to pay any cost incurred in the preparation and submission of the proposal.

Potential offerors may submit questions in writing to Mr. Yeghiazarian, Contracts Specialist USAID/Armenia no later than January 31, 2002. Mr. Yeghiazarian can be reached via e-mail at

ayeghiazarian@usaid.gov or via facsimile at (374-1) 543-871. Receipt of this RFP through the internet must be confirmed by written notification to Mr. Yeghiazarian if the offeror wishes to be notified of any amendments to the solicitation. Offerors should retain for their records copies of any and all enclosures which accompany their proposals.

Sincerely,

Carlton M. Bennett
Regional Contracting Officer
USAID/Caucasus

SOLICITATION, OFFER AND AWARD		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		RATING	PAGE OF PAGE(S)
2. CONTRACT NO.	3. SOLICITATION NO. 111-02-016	4. TYPE OF SOLICITATION <input type="checkbox"/> SEALED BID (IFB) <input checked="" type="checkbox"/> NEGOTIATED (RFP)		5. DATE ISSUED January 7, 2002	6. REQUISITION/PURCHASE NO. 111-02-0005
7. ISSUED BY Regional Contracting Office USAID/Caucasus/Tbilisi Department of State Washington, D.C. 20521-7060		CODE	8. ADDRESS OFFER TO (If other than Item 7) Armen Yeghiazarian EXO/USAID/Armenia 18 Marshall Baghramian Avenue Yerevan 375019, Armenia		

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder"

SOLICITATION

9. Sealed offers in original and 3 copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in Item 8. until 4:00 PM local (Yerevan) time March 1, 2002. CAUTION LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:	A. NAME Armen Yeghiazaryan	B. TELEPHONE NO. (NO COLLECT CALLS)			C. E-MAIL ADDRESS ayeghiazarian@usaid.gov
		Intl CODE 374 1	NUMBER 543 835	EXT. 4709	

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OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)	10 CALENDAR DAYS (%)	20 CALENDAR DAYS (%)	30 CALENDAR DAYS (%)	CALENDAR DAYS (%)
	%	%	%	%
14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated:	AMENDMENT NO.	DATE	AMENDMENT NO.	DATE
15A. NAME AND ADDRESS OF OFFEROR	CODE	FACILITY	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)	
15B. TELEPHONE NUMBER		<input type="checkbox"/> 15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE.	17. SIGNATURE	
AREA CODE	NUMBER		18. OFFER DATE	

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED	20. AMOUNT	21. ACCOUNTING AND APPROPRIATION	
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304(c) () <input type="checkbox"/> 41 U.S.C. 253(c) ()		23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)	ITEM
24. ADMINISTERED BY (If other than Item 7)	CODE	25. PAYMENT WILL BE MADE BY OFM/USAID/Armenia 18 Marshall Baghramian Avenue Yerevan 375019, Armenia	CODE
26. NAME OF Contracting Officer (Type or print)		27. UNITED STATES OF AMERICA (Signature of Contracting Officer)	28. AWARD DATE

IMPORTANT: Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

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PART I - THE SCHEDULE**SECTION B - SUPPLIES OR SERVICES AND PRICE/COSTS****B.1 PURPOSE**

The purpose of this contract is:

(i) develop the Central Bank of Armenia supervision department that performs in accordance with best practice international standards, as broadly defined by the Basel Core Principles; (ii) provide banking legislative and CBA regulatory support, which empowers the bank supervision to effectively execute its responsibilities; (iii) develop the CBA's accounting policies and procedures, so as to give commercial banks clear guidance on how to conduct their accounting practices.

B.2 CONTRACT TYPE

This is a Cost-Plus-Fixed-Fee (CPFF) completion contract. For the consideration set forth below, the Contractor shall provide the deliverables or outputs described in Section F in accordance with the performance standards specified in Section E.

B.3 ESTIMATED COST, FIXED FEE, AND OBLIGATED AMOUNT

(a) The estimated cost for the performance of the work required hereunder, exclusive of fixed fee, if any, is _____. The fixed fee, if any, is _____. The estimated cost plus fixed fee, if any, is _____.

(b) Within the estimated cost plus fixed fee (if any) specified in paragraph (a) above, the amount currently obligated and available for reimbursement of allowable costs incurred by the Contractor (and payment of fee, if any) for performance hereunder is \$.00. The Contractor shall not exceed the aforesaid obligated amount.

(c) Funds obligated hereunder are anticipated to be sufficient through .

B.4 LINE ITEMS

CLIN 0001 – Technical Assistance: Bank Supervision	\$ _____
CLIN 0002 – Technical Assistance: Legal Reform	\$ _____
CLIN 0002 – Technical Assistance: Accounting Procedures Strengthening	\$ _____
CLIN 0003 – Fee	\$ _____

B.5 INDIRECT COSTS (DEC 1997)

Pending establishment of revised provisional or final indirect cost rates, allowable indirect costs shall be reimbursed on the basis of the following negotiated provisional or predetermined rates and the appropriate bases:

Description	Rate	Base	Type	Period
	1/	1/	1/	1/
	2/	2/	2/	2/
	3/	3/	3/	3/

1/Base of Application:
Type of Rate: Predetermined
Period:

2/Base of Application:
Type of Rate: Predetermined
Period:

3/Base of Application:
Type of Rate: Predetermined
Period:

B.6 COST REIMBURSABLE

The U.S. dollar costs allowable shall be limited to reasonable, allocable and necessary costs determined in accordance with FAR 52.216-7, Allowable Cost and Payment, FAR 52.216-8, Fixed Fee, if applicable, and AIDAR 752.7003, Documentation for Payment.

SECTION C - DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK**USAID/ARMENIA: BANK SUPERVISION - PHASE II**

This task order represents the continuation of USAID/Armenia's technical assistance program to develop Armenia's banking infrastructure, specifically its supervision, legal, and accounting capacity. In collaboration with the International Monetary Fund (IMF), USAID has been providing technical assistance to the Central Bank of Armenia (CBA) since the end of 1999 in the areas mentioned above.

This document describes a Statement of Work for follow-on technical assistance to the CBA's Bank Supervision Department (BSD) to strengthen its capacity to regulate and supervise the country's banking sector. The ongoing two-year Activity in this area, which comes to end in February 2002, has made creditable progress with respect to supervision procedures and practices, the legal and regulatory infrastructure, and accounting reform. However, much remains to be done before Armenia has a banking sector that effectively performs the basic functions essential for economic growth.

The Activity described in this Statement of Work, which will run from May 2002 through April 2004, has the following as its main objectives: improving the prudential regulatory environment by amending core elements of the CBA's regulatory framework so they are consistent with international standards; institutionalizing bank supervision procedures so inspectors are more prepared to exercise judgment and to do forward-looking analysis; and improving CBA accounting policies. The work requirements (tasks) under this Activity are in the areas of on-site inspections, bank consolidation and problem bank resolution, supervisory strategy development, legal strengthening, accounting procedures strengthening, and targeting assistance (e.g., integration of BSD Units and human resources policy).

I. BACKGROUND**I.1. Introduction**

The Armenian banking system is small, with total assets reaching only about \$400 million and accounting for 15 percent of GDP. Moreover, the largest ten banks own around 80 percent of its total assets. The Armenian banking system consists of 29 commercial banks, less than half of which existed five years ago; this is three to four times as many as would be optimal.

In 1996-1997, a few years after Armenia gained its independence, state banks were instructed by the CBA to write off their bad loans, as a result of which several of them incurred substantial losses. Some of them received assistance from the government and were subsequently privatized. Other banks are relatively new (founded during the past decade). These banks are small and basically exist to serve the needs of the businesses that have sponsored them. Additionally, there are four foreign banks with some involvement by Diaspora Armenians.

I.2. Statement of the Problem/Need

As is true of many countries of the former Soviet Union, the Armenian banking system plays a very limited role

in resource mobilization and intermediation between savers and investors. The reasons for this marginalization are common to most former Soviet countries: insider lending, cronyism, and corruption usurp the limited resources. Under these circumstances – a small country with a limited domestic market, beset by economic and political difficulties, and a relatively large number of banks with somewhat limited capital – the banking sector in Armenia is extremely fragile.

Furthermore, the banking system has not reached the level of consolidation and sophistication of the more advanced transition economies; intermediation costs are high. While the data reported monthly by the Armenian banks to the CBA point to a relatively healthy financial system in the aggregate and a satisfactory growth during the last five years, there are serious shortcomings in the structure of regulatory reporting. The specific weaknesses and vulnerabilities relate especially to the following:

- High credit and foreign exchange risk due largely to an underdeveloped credit culture.
- A fragile enterprise sector and a weak macroeconomy.¹
- Inadequate risk identification.
- Absence of sufficiently rigorous monitoring and management practices.
- Large foreign currency exposures to borrowers currently unable to generate export earnings.
- High real interest rates, which put a premium on the quality of loan portfolios: few projects can ensure sufficiently high real rates of return to repay debt. An exception to this occurs when the high cost of borrowing by banks is substantially offset by shareholder's equity.
- Imperfect legal infrastructure. Although the legal framework governing the financial sector is reasonably sound and comprehensive, decisions by the CBA to withdraw banking licenses and/or to initiate bankruptcy proceedings against banks have been successfully appealed in the courts. It is apparent that, although the Law on the CBA and the Law on Banks and Banking both work fairly well, there is room for improvement. This applies especially to strengthening the CBA's enforcement power to take remedial action vis-à-vis troubled banks without undue interference from the courts.
- Lack of trust in banks and the banking system on the part of the general public; this phenomenon arises from recent historical experiences, which includes a currency redenomination just before the fall of the Soviet Union, hyperinflation during the first years of Armenia's independence, and widespread bank insolvency in an environment where deposit insurance is nonexistent.
- Limited growth of deposits, largely due to the size of the informal economy and the public's reticence to expose one's finances to tax authorities.
- While the movement of imported goods is generally restricted, the inflow of capital is not. Armenia has been relatively successful in securing foreign aid for itself. The country has also been the recipient of support through lines of credit provided by the international financial institutions. The economy is heavily dependent on foreign aid, some of which is in the form of loans to businesses at subsidized interest rates.

¹ Vigorous economic growth, while no panacea, is a necessary condition for increasing the role of the banking sector in both resource mobilization and financial intermediation.

Besides the aforementioned elements, which are common to most former Soviet republics, there are additional considerations that make the Armenian situation particularly challenging. First, Armenia is a small country with a limited internal market and sparse natural resources, making the country highly dependent upon foreign trade. However, continuing political problems have curtailed much of Armenia's trading potential with two neighboring states (Turkey and Azerbaijan), raising the cost of trading with many major markets, such as the European Union.

At the same time, the country has high rate of emigration – particularly of working-age people – which is reflected in a growing Diaspora in the West and in Russia. There is a substantial brain drain from Armenia, which is only partially compensated by private remittances to families back home. It is difficult to visualize how the economy could be quickly extricated from its current stagnation. In this environment, opportunities for sound banking practices are very limited.

I.3. Constraints and Opportunities

Currently, the Armenian banking system is not only sharply circumscribed in its ability to perform basic banking functions, but it is also fragile, lacking in vigorous market discipline and/or forceful regulatory oversight. However, in comparison with former Soviet countries, the CBA seems, relatively speaking, to be more resolute than others in the exercise of its authority. Thus, there are conflicting currents. On the one hand, there are stringent secrecy strictures and a decidedly checkered history of receptiveness to foreign technical assistance. On the other, there is a sense of purpose and willingness to act uncommon phenomena in former Soviet republics. Armenia was one of the earliest such countries to convert to international accounting standards (IAS), and a number of Armenian banks have moved rapidly toward institutionalizing this accounting methodology in their operations.

I.3.a. On-site Function

Despite the progress to date, the CBA's Banking Supervision Department still lacks the professional expertise to adequately analyze the financial condition of banks, and is consequently misjudging both the individual and collective fragility of banks. Although many of the Basel Core principles have been adopted, banking supervision needs to be further strengthened to bring it more closely in line with international standards. There is excessive reliance on adherence to formal rules and procedures, which should be supplemented by better judgment – especially by the on-site inspection team – so as to complement quantitative data with qualitative observations about banks undergoing inspections. This should be reinforced by improvements in prudential rules for loan portfolio classification and loan loss provisioning, since banking legislation and existing CBA regulations do not provide bank supervisors with sufficient enforcement authority.

I.3.b. Legal and Regulatory Infrastructure

Existing laws and regulations are inadequate to give the CBA bank supervision the enforcement authority needed to carry out its prudential responsibilities. Even a basic regulation such as the "Classification of Assets" was not brought up to international standards until the most recent revision. Another important weakness concerns the CBA's prudential regulations on bank lending in foreign currency, which accounts for roughly 85 percent of total loans. This is currently one of the most vulnerable facets of the Armenian banking system given the joint credit/foreign exchange risk profile of loans (lending in foreign currency to borrowers who do not have earnings in foreign currency). In addition to the legal and regulatory sphere, another area where substantial assistance is still needed is the institutional development of the CBA's Legal Department.

I.3.c. Accounting Reform

Still gathered on the basis of the old Gosbank accounting methodology, flawed information limits effective bank supervision and risk management. In the area of accounting reform, the CBA has made reasonable progress, having officially converted to IAS in January 1997. This is true particularly when compared to the other countries that emerged from the Soviet Union.

In May 2000, USAID conducted diagnostic analyses of the CBA Accounting, Supervision, and IT departments, as well as of the accounting departments of commercial banks. The conclusion was that there exists a large variance in the efficacy of banks' accounting departments. In a sample of six banks, two showed substantial differences between their audited income statements and reports submitted to the CBA. Part of the problem stems from the fact that the CBA has not articulated accounting policies and procedures for commercial banks on such basic questions as how to account for repossessed assets. However, the chart of accounts (prepared with USAID assistance) has stood the test of time reasonably well and simply needs minor adjustments.

The mechanical conversion to IAS is, however, only the beginning of the process. The next step is for the CBA to make the new accounting methodology the basis for risk management and internal control.

II. CONTINUING ACTIVITY AND PROGRESS TO DATE (November 1999-October 2001)

II.1 On-site Supervision and Strategy Advice²

Ongoing Activity

The goal is to provide the CBA with a standardized and comprehensive on-site inspection program that will equip its supervisors with the capacity to evaluate the risks of commercial banks using a common, standardized methodology in accordance with the CAMEL system. This is being accomplished through the following tasks:

- Assigning two full-time resident advisors to focus on on-site supervision plus supervisory policies and procedures;³
- Conducting monthly on-site examinations with CBA inspectors, including prior classroom training and follow-up work in reporting and systematically informing senior management of findings and results;
- Developing a standardized on-site examination manual, which conforms to the new laws and regulations; and
- Developing and implementing a supervisory policy manual, which provides the fundamental framework for bank supervision.

Progress to Date

During the two years that USAID, through its implementing partner Barents Consulting LLC, has provided

² This project is being conducted jointly with the International Monetary Fund (IMF), which is focusing on off-site supervision. Accordingly, this task order focuses on on-site supervision.

³ The USAID Banking Infrastructure project was developed in collaboration with the International Monetary Fund, who also has a resident advisor for supervision at the CBA, specializing in developing the off-site analytical system.

technical assistance to the CBA, some progress has been made in improving the efficacy of supervisors' inspection procedures. More specifically, the following results have been achieved:

Report of On-site Examinations: USAID project advisors have regularly participated with CBA inspectors in bank examinations, and provided analytical assessments of the examination reports and the procedures used. As a result of these examinations, the project issued the "Report of Examinations." This report is in the form of a manual that provides strategic guidelines and includes a standard questionnaire to be completed after the examination of a bank.

On-site Examination Manual: Additionally, the existing on-site examination manual is being revised to conform to conditions specific to Armenia. This manual will form the basis for future on-site inspections, in accordance with international best practice.

Credit Risk Assessment Guideline: At the request of the CBA Chairman, a joint project with the IMF was initiated for developing credit risk assessment guidelines. This document delineates sound and recognized principles of loan analysis. The CBA will be responsible for disseminating this document throughout the banking system.

Supervisory Policy Manual: A supervisory policy manual setting forth a risk-based approach to bank supervision has been developed. The strategy for implementing this new approach to bank supervision will be a major and important objective in this phase of the project.

Organization of Bank Supervision: A proposal for reorganizing BSD in a manner that would fit the new, risk-based approach to supervision has been developed and submitted to the CBA. Integrating the work of different BSD Units is an important task in this phase of the project.

Training: Regular training sessions have been held since July 2000 for bank supervision staff. A new training program was developed, which forms the basis for formalized bank supervisory accreditation.

II.2. Legislative and Regulatory Reform

Ongoing Activity

The goal is to analyze the current commercial banking law and other relevant legislation, as well as all current CBA regulations and decrees in order to assess their effectiveness as supervisory and enforcement tools in accordance with international standards and best practices. This is being accomplished through the following tasks:

- Assigning a regulatory attorney to work with the CBA's Legal Department to develop drafts of core CBA regulations. These include conflicts of interest and related party transactions, minimum and risk adjusted capital requirements, timely corrective actions, credit concentrations, and large exposures; and
- Tasking the regulatory attorney to also work with CBA colleagues to draft amendments to certain key laws such as the Law on the Bankruptcy of Banks.

Progress to Date

During the past year USAID lawyers and accountants have helped the CBA Legal and Accounting Departments develop regulations, amend banking laws, and develop a series of accounting policies in line with international standards. In particular, the USAID legal advisor working with the CBA Legal Department has accomplished the following:

- Have the draft “Law on Bankruptcy of Banks” approved by all relevant government bodies and submitted to the National Assembly (NA), where it awaits action. This law is expected to legitimate CBA authority to expeditiously deal with insolvent banks. It is critical in view of the consolidation of the banking system that is expected to take place in the next few years.
- Have the draft amendments to the “Law on Banks and Banking” approved by various government bodies and submitted to the NA. These amendments are expected to strengthen the role of the CBA in a number of crucial areas, such as change of bank ownership.
- Have the draft “Law on the Central Bank” approved by various government bodies and sent to the NA. This law delineates the rights and authorities of the CBA. This Law is expected *inter alia* to give CBA supervisors the authority to issue cease and desist orders, thus allowing the BSD to take preventive and corrective actions before problems become acute.

Regulations: With the arrival of the USAID project legal advisor in early June 2001, a systematic review of all core CBA regulations has begun. He has recommended to Regulation # 4, “Implementation of Examination in Banks, Audit Examination of Banks.” Additionally, the advisor shall conduct training for CBA attorneys engaged in supervisory activities on how to prepare for corrective actions, cease and desist orders, and statutory application matters.

Classification of Loans: As a result of USAID project advisors’ efforts, the CBA has revised the classification regulation to bring it in accordance with international standards (such as the method of calculating overdue loans).

II.3. Bank Accounting

Ongoing Activity

The goal is the adoption of international accounting and reporting standards by all licensed commercial banks. Requirements stipulated in the CBA’s supervisory and regulatory pronouncements shall be based on approved international accounting standards and practices.

- Collaborating with the CBA’s Accounting Department and interfacing with commercial banks to train them in the CBA’s accounting policies;
- Updating and refining the CBA’s chart of accounts for banks; and
- Developing core policies for banks to guide them in their activities.

Progress to Date

Organizational Policy: The accounting and supervision advisors have drafted a policy for presentation to the CBA Board delineating the roles of the Accounting and Supervision Departments – the division between supervisory and financial responsibility on accounting issues. The main goal in present is to develop accounting policies that would guide commercial bank accounting procedures.

III. SCOPE OF WORK OF NEW ACTIVITY (May 2002-April 2004)

III.1. General Objectives and Overarching Tasks

This activity addresses Strategic Objective 1.3: Growth of a Competitive Private Sector and in particular IR.3 — Access to Financial Capital Increased; and also IR#4 — Increased Capacity of Private Enterprises in Selected (Sub) Sectors to Conduct Businesses.

The activity's objectives are as follows:

- To develop a central bank supervision department that performs in accordance with best practice international standards, as broadly defined by the Basel Core Principles;
- To provide banking legislative and CBA regulatory support, which empowers the bank supervision to effectively execute its responsibilities;
- To develop the CBA's accounting policies and procedures, so as to give commercial banks clear guidance on how to conduct their accounting practices.

One particularly critical intermediate result that this activity addresses is “A Sound, Regulated and Efficient Banking System Established.” Basically, there are three guarantors of the safety and soundness of a banking system – market forces, the management of the banks, and the government's regulatory authority. In the early days of banking sector development, market forces are usually very weak and management is often unable or unwilling to exercise prudential authority. Thus, the task of laying the basis for a safe, sound, and efficient banking system falls overwhelmingly on the shoulders of the bank supervisory authority.

The overarching goal of this initiative is to have a banking sector that effectively performs the basic functions essential for economic growth. These include mobilizing savings, mediating between savers and investors, acting as a conduit for disseminating monetary policy, and effectively executing payments. Given the development course described above, it is unlikely that the situation in the banking sector will be dramatically different by the end of the present task order in early 2002.

This activity's overarching tasks, whose accomplishment will substantially contribute to the fulfillment of the aforementioned general objectives, are as follows:

- To improve the prudential regulatory environment by amending at least some of the core elements of the CBA regulatory framework so that they are largely consistent with international standards and to give CBA bank supervisors greater enforcement authority to carry out their prudential responsibilities;
- To institutionalize bank supervision procedures so that bank inspectors are more prepared to exercise judgment and do forward looking analysis; and

- To improve some of the more fundamental CBA accounting policies such as repossessed assets, foreign exchange accounting and fixed asset valuation.

By the end of the current activity, there will be a greater institutional capacity to assess the financial condition of banks, reinforced by a stronger regulatory structure and a more consistent reporting of statistics by banks.

III.2. Tasks/Work Requirements

This project is envisioned as a two-year project beginning on or about May 1, 2002 – subject to the availability of funding. The project focuses on support for the Bank Supervision, Legal, and Accounting Departments at the CBA. It builds upon the technical assistance USAID that has already delivered to this institution since December 1999 and continues USAID's close collaboration with the IMF in this sphere.

Task 1. On-site Inspections

Continue to develop the capacity of the BSD to conduct on-site inspections of individual banks. This is the heart of market-based bank supervision and the fundamental way in which the financial condition of a bank can be assessed. The emphasis will be on practical hands-on training/oversight. This will be accomplished through the following actions:

- demonstrating consistent use of bank supervision authority on the basis of tools previously introduced (e.g., Report of Examination format, examination procedures, and workpaper formats) during all on-site examinations;
- communicating on-site examination results to bank management/directors through a formal process;
- ensuring that the bank supervision authority develops and begins the implementation of an accreditation framework for CBA bank supervisors (i.e., an overall strategy, timeframes, and minimum standards); and
- ensuring that the BSD's on-site inspection manual incorporates changes congruent with new banking laws and changes enacted in the CBA regulatory framework.

Task 2. Bank Consolidation and Problem Bank Resolution

Assist the CBA in its efforts to rationalize the banking system, particularly with respect to the setting of increasing capital requirements, as well as through work on bank resolution and liquidation. This will be accomplished through the following actions:

- ensuring that the BSD has a well-functioning, integrated process for problem bank identification; and
- ensuring that the BSD adopts supervisory policies for enforcement actions and problem bank resolution;

Task 3. Supervision Strategy Development

Develop an articulated strategy delineating the policy and procedures that will govern the operations of the BSD. This will be accomplished through ensuring that the BSD adopts the supervisory policy manual for enforcement actions and supervisory responses.

Task 4. Legal Reform

Develop amendments to the primary laws affecting banking and rework the basic central bank supervision regulations to ensure conformity with international practice. This will be accomplished through the following actions:

- managing the process of amending a core group of banking laws so they are broadly consistent with international standards;
- ensuring that the main body of CBA banking regulations is consistent with international standards; and
- ensuring that the CBA effectively implements supervisory response policies and processes to establish and implement corrective action plans and assist in the resolution of problem banks in a manner that conforms to amended banking laws.

Task 5. Accounting Procedures Strengthening

Develop core central bank accounting policies and procedures for commercial banks to ensure clarity in the application of IAS. This will be accomplished through ensuring that the main body of CBA bank accounting policies is consistent with international standards.

Task 6. Targeted Assistance

Provide targeted assistance, in such areas as (but not limited to these areas) the integration of different BSD Units, human resources policy, and outreach to commercial banks and the public. This will be accomplished through the following actions:

- assisting the BSD in developing systems to enhance communication between banks and the CBA; and
- assisting the CBA in developing legislation and articulating policies regarding non-bank financial intermediaries (such as savings houses and credit unions) that include regulatory standards and supervisory procedures.

III.3 Benchmarks**30 Day Benchmarks**

- Conduct and submit a written evaluation of priority training needs (at both the entry and advanced level) and a draft schedule for their delivery of the required training activities.

60 Day Benchmarks**Task 1: On-site Inspection**

- Carry out an evaluation of the CBA's compliance with the Basel Core Principles. This evaluation should assess the efficacy of the on-site/off-site supervision processes and tools, and extent of the integration of international standards into the supervisory processes of the CBA.

- Develop a draft curriculum and course outlines for the examiner accreditation program for BSD examiners.
- Provide a final draft of the Workplan to USAID for approval.

Task 2. Bank Consolidation and Problem Bank Resolution

- Complete a comprehensive assessment of the existing substantive and technical framework for early regulatory intervention, problem bank resolution, and bank liquidation (“Resolution and Liquidation Assessment” or “RLA”). This assessment should help develop a set of recommendations for shaping the process of problem bank identification and strengthen the legal framework for problem bank resolution.

Task 3. Supervision Strategy Development

- Complete a comprehensive assessment of the BSD’s organizational framework, management system, strategy, policies, and procedures of the BSD.

Task 4. Legal Reform

- Complete a comprehensive assessment a “Legal Framework Assessment” or “LFA”) of the existing substantive and technical framework of the legal environment, taking into consideration pending or enacted laws and amendments to current banking laws.

Task 5. Accounting Procedures Strengthening

- Complete a comprehensive assessment of the existing substantive and technical framework for bank accounting (“Accounting Framework Assessment” or “AFA”), with special attention given to IAS compliance and to developing policies and procedures in compliance with Armenian banking laws and international practice.

Task 6. Targeted Assistance

- Assist the CBA in drafting the legislation, policies, and procedures for non-bank intermediation.
- Assist the relevant department in the CBA in developing human resources policy and designing a public outreach program for the commercial banks and the CBA.

120 Day Benchmarks**Task 1: On-site Inspection**

- Continue to participate in on-site examinations (at least one during this period), and review and assist in planning and refining the report on examination procedures.
- Develop and organize on-site supervision skills training for BSD staff.
- Develop the course materials, certification criteria, and an appropriate training mechanism for the accreditation program.

Task 2. Bank Consolidation and Problem Bank Resolution

- Complete at least one training class for on-site supervisors.

Task 3. Supervision Strategy Development

- Complete a written plan, including recommendations for the BSD, on how to implement a risk-based supervision approach, as highlighted in the Supervisory Policy Manual. Assist in further refining the BSD's policies and procedures.
- Complete a written draft plan of an institutionalized process for integrating the work of the different BSD Units, along with recommendations for the Head of the BSD.

Task 4. Legal Reform

- Provide further assistance to the CBA's Legal Department in updating and amending the CBA's regulations and major banking laws so as to bring them into line with international practice.
- Develop training classes dedicated to strengthening the Legal Department.

Task 5. Accounting Procedures Strengthening

- Complete a written draft plan, including recommendations for the Accounting Department, concerning how accounting policies and procedures shall be brought into compliance with international practice.
- Provide assistance in upgrading the Chart of Accounts.
- Develop training classes on IAS and Chart of Accounts for the CBA Accounting Department.

Task 6. Targeted Assistance

- Provide assistance to the CBA in developing the regulatory framework for non-bank financial institutions (such as credit unions and savings houses).
- Provide assistance in developing the public outreach campaign for the CBA and commercial banks.

180 Day Benchmarks**Task 1: On-site Inspection**

- Assist the BSD in at least two bank examinations, in total.
- Discuss and finalize with the CBA the draft accreditation program.
- Continue both classroom and on-the-job on-site supervision training for BSD staff.
- Organize U.S.-based training on bank examinations with a U.S. bank regulatory agency for at least five CBA employees.

Task 2. Bank Consolidation and Problem Bank Resolution

- Develop a written draft plan for establishing standardized policies and procedures for rehabilitating, resolving, or liquidating problem and failed institutions.
- Complete and deliver a training program on problem bank rehabilitation/ liquidation.

Task 3. Supervision Strategy Development

- Develop and deliver to the BSD staff a training program on risk based supervision.

Task 4. Legal Reform

- Provide a minimum of one additional training activity for the Legal Department following the LFA.

Task 5. Accounting Procedures Strengthening

- Assist in drafting the CBA accounting policies and regulations necessary for adoption and implementation of IAS by commercial banks.
- Complete at least one additional training activity on IAS and Chart of Accounts for the CBA Accounting Department staff.

12 month benchmarks**Task 1: On-site Inspection**

- Provide evidence that the BSD has approved an accreditation program for bank supervisors, and that initial implementation has begun.
- Conduct an evaluation of the CBA's compliance with the Basel Core Principles at the time of the completion of the first year of the Task Order.
- Ensure that the CBA Board has approved a new model for integration of the various BSD units in a manner that substantially improve the department's performance.

Task 2. Bank Consolidation and Problem Bank Resolution

- Organize U.S.-based training on bank consolidation and problem bank resolution with a U.S. bank regulatory agency for at least five CBA employees.

Task 3. Supervision Strategy Development

- Assist the CBA in adopting and institutionalizing the developed policies and procedures for risk based supervision.
- Assist in organizing training on supervision in Central and Eastern Europe (CEE) with a CEE bank regulatory agency for at least five CBA employees.

Task 4. Legal Reform

- Provide evidence that at least an important subset of regulations have been altered to conform with both amendments to Armenian banking laws and international practice.
- Provide evidence that at least an important subset of laws pertinent to banking supervision has been amended to conform to international practice.
- Complete at least one either third country or U.S. training class for two persons from the Legal Department.

Task 5. Accounting Procedures Strengthening

- Provide evidence that at least an important subset of policy, procedures, and regulations related to commercial bank accounting practice has been altered to conform to international practice.
- Complete at least two additional training activities on IAS and Armenian Accounting Standards (AAS) and Chart of Accounts.

18 month benchmarks**Task 1: On-site Inspection**

- Demonstrate that actions recommended in the “Report of Examinations” following an inspection of a recalcitrant bank have been transmitted to senior CBA management and implemented at that bank.
- Complete and deliver a training class on examination techniques to BSD staff.

Task 2. Bank Consolidation and Problem Bank Resolution

- Demonstrate that the CBA has approved and formally institutionalized standardized policies and procedures for rehabilitating/resolving/liquidating problems and failed institutions.
- Complete and deliver a training program on problem bank resolution for the BSD staff.

24 month benchmarks**Task 1. On-site Inspection**

- Conduct actual on-site examinations of at least half of the assets of the banking system.
- In addition to enhancing the quality and effectiveness of these examinations, develop a cadre of CBA bank examiners with on-site training in the use of examination procedures for the CAMEL components. This includes guidance for examination planning and coordination.
- Ensure that this accreditation program is institutionalized and implemented.

Task 4. Legal Reform

- Ensure that all core banking regulations are in accordance with amended banking laws and international practice.

- Provide evidence that at least an important subset of laws pertinent to banking supervision has been amended to conform to international practice.

Task 5. Accounting Procedures Strengthening

- Ensure that all core policy, procedures, and regulations regarding commercial bank accounting practice are in accordance with the amended banking laws and international practice.

Task 6. Targeted Assistance

- Ensure that the BSD has approved a policy that delineates communication procedures with commercial banks and the public, and provide evidence that this has occurred.

III.4. Reporting Requirement vis-à-vis Non-achievable Tasks and/or Benchmarks

The contractor understands and agrees that achievement of the Tasks/Work Requirements (III.2) and Benchmarks (III.3) are the essence of the contract and that USAID shall judge the contractor's success or lack thereof in the contract based upon whether or not the Tasks/Work Requirements and Benchmarks are achieved. In the event that any one or more of the Tasks/Work Requirements and Benchmarks are not achieved or should the contractor at any time realize that they are not achievable, then the contractor shall immediately advise USAID in writing, and in the next report required as part of the contract's "reporting requirements" (i.e., a monthly, quarterly, or completion report) shall provide a complete explanation of the circumstances relating thereto.

IV. REPORTING REQUIREMENTS

Copies of each report should be sent to the CTO at the USAID Mission in Armenia, Ms. Haikanush Bagratunyan. Deliverables should also be provided to Mr. Thordur Olafsson in the IMF's Monetary and Exchange Department in Washington on a complimentary basis for informational purposes.

The following reports are required under this task order:

1. Advisors shall prepare a **Workplan** within 60 days from the beginning of the contract. The Workplan shall provide a detailed set of actions that the advisors must complete over the life of the contract in accordance with the task(s) enumerated under III.2.
2. Advisors shall submit a brief **Monthly Status Report** within thirty days of the close of every month, assessing progress made on each task under III.2, focusing on both accomplishments in accordance with the Workplan and obstacles that may have hindered the work of advisors.
3. Resident advisors shall submit a detailed **Completion Report** within 30 days from the end of the contract. This report shall evaluate the gains made by CBA personnel relative to each of the tasks delineated in III.2 and describe the final status of the Tasks/Work Requirements and Benchmarks.

V. COUNTERPART CONCURRENCE/CLEARANCES

The counterpart for this project is the CBA, which has requested this assistance. The resumes of advisors are

to be sent to USAID/Armenia for concurrence and then forwarded to the CBA.

The advisors shall coordinate closely with the USAID/Armenia Mission. Resident advisors are required to brief the Mission at regular intervals, and short-term advisors are required to brief the Mission upon completion of all in-country trips.

SECTION D - PACKAGING AND MARKING**D.1 AIDAR 752.7009 MARKING (JAN 1993)**

(a) It is USAID policy that USAID-financed commodities and shipping containers, and project construction sites and other project locations be suitably marked with the USAID emblem. Shipping containers are also to be marked with the last five digits of the USAID financing document number. As a general rule, marking is not required for raw materials shipped in bulk (such as coal, grain, etc.), or for semifinished products which are not packaged.

(b) Specific guidance on marking requirements should be obtained prior to procurement of commodities to be shipped, and as early as possible for project construction sites and other project locations. This guidance will be provided through the cognizant technical office indicated on the cover page of this contract, or by the Mission Director in the Cooperating Country to which commodities are being shipped, or in which the project site is located.

(c) Authority to waive marking requirements is vested with the Regional Assistant Administrators, and with Mission Directors.

(d) A copy of any specific marking instructions or waivers from marking requirements is to be sent to the Contracting Officer; the original should be retained by the Contractor.

SECTION E - INSPECTION AND ACCEPTANCE**E.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE**

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an internet address (if specified) for electronic access to the full text of a clause.

NUMBER	TITLE	DATE
	FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1)	
52.246-1	CONTRACTOR INSPECTION REQUIREMENTS	APR 1984
52.246-5	INSPECTION OF SERVICES--COST-REIMBURSEMENT	APR 1984
52.246-15	CERTIFICATE OF CONFORMANCE	APR 1984

E.2 INSPECTION AND ACCEPTANCE

USAID inspection and acceptance of services, reports and other required deliverables or outputs shall take place at:

EREO/USAID/Armenia
18 Marshall Baghramian Avenue
Yerevan 375019, Armenia

or at any other location where the services are performed and reports and deliverables or outputs are produced or submitted. The CTO listed in Section G has been delegated authority to inspect and accept all services, reports and required deliverables or outputs.

SECTION F - DELIVERIES OR PERFORMANCE**F.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE**

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an internet address (if specified) for electronic access to the full text of a clause.

NUMBER	TITLE	DATE
52.242-15	FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1) STOP-WORK ORDER AUG 1989 ALTERNATE I (APR 1984)	

F.2 PERIOD OF PERFORMANCE

The period of performance for this contract is 05/01/2002 through 04/30/2004.

F.3 PERFORMANCE STANDARDS

Evaluation of the Contractor's overall performance in accordance with the performance standards set forth in Section C, Tangible Results and Deliverables, will be conducted jointly by the CTO and the Contracting Officer, and shall form the basis of the Contractor's permanent performance record with regard to this contract.

F.4 REPORTS AND DELIVERABLES OR OUTPUTS

In addition to the requirements set forth for submission of reports in Sections I and J and in the AIDAR clause 752.242-70, Periodic Progress Reports, the Contractor shall submit the following deliverables or outputs to the CTO specified in Section G:

See section C.V Reporting Requirements of the SOW.

F.5 PROGRESS REPORTING REQUIREMENTS**752.242-70 PERIODIC PROGRESS REPORTS (JUL 1998)**

(a) The contractor shall prepare and submit progress reports as specified in the Schedule of this contract. These reports are separate from the interim and final performance evaluation reports prepared by USAID in accordance with (48 CFR) FAR 42.15 and internal Agency procedures, but they may be used by USAID personnel or their authorized representatives when evaluating the contractor's performance.

(b) During any delay in furnishing a progress report required under this contract, the contracting officer may withhold from payment an amount not to exceed US \$25,000 (or local currency equivalent) or 5 percent of the amount of this contract, whichever is less, until such time as the contracting officer determines that the delay no longer has a detrimental effect on the Government's ability to monitor the contractor's progress.

F.6 KEY PERSONNEL

A. The key personnel which the Contractor shall furnish for the performance of this contract are as follows:

Name	Title
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B. The personnel specified above are considered to be essential to the work being performed hereunder. Prior to replacing any of the specified individuals, the Contractor shall immediately notify both the Contracting Officer and USAID Cognizant Technical Officer reasonably in advance and shall submit written justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No replacement of personnel shall be made by the Contractor without the written consent of the Contracting Officer.

F.7 SUBMISSION OF DEVELOPMENT EXPERIENCE DOCUMENTATION TO PPC/CDIE/DI

USAID contractors must submit one electronic and/or one hard copy of development experience documentation (electronic copies are preferred) to the Development Experience Clearinghouse at the following address.

Development Experience Clearinghouse
1611 N. Kent Street, Suite 200
Arlington, VA 22209-2111

Telephone Number 703-351-4006, ext. 100
Fax Number 703-351-4039
E-mail: docssubmit@dec.cdie.org
<http://www.dec.org>

SECTION G - CONTRACT ADMINISTRATION DATA

752.7003

DOCUMENTATION FOR PAYMENT

NOV 1998

G.1 ADMINISTRATIVE CONTRACTING OFFICE

The Administrative Contracting Office is:

Regional Contracting Office
USAID/Caucasus
20 Telavi Street
Tbilisi 380003, Georgia

G.2 COGNIZANT TECHNICAL OFFICER (CTO)

The Cognizant Technical Officer is Michael Wyzan or his or her designee at:

EREO/USAID/Armenia
18 Marshall Baghramian Avenue
Yerevan 375019, Armenia
Fax: (374 1) 543 871
Telephone: (374 1) 543 835

G.3 TECHNICAL DIRECTIONS/RELATIONSHIP WITH USAID

(a) Technical Directions is defined to include:

- (1) Written directions to the Contractor which fill in details, suggest possible lines of inquiry, or otherwise facilitate completion of work;
- (2) Provision of written information to the Contractor which assists in the interpretation of drawings, specifications, or technical portions of the work statement;
- (3) Review and, where required, provide written approval of technical reports, drawings, specifications, or technical information to be delivered. Technical directions must be in writing, and must be within the scope of the work as detailed in Section C.

(b) The CTO is authorized by designation to take any or all action with respect to the following which could lawfully be taken by the Contracting Officer, except any action specifically prohibited by the terms of this Contract:

- (1) Assure that the Contractor performs the technical requirements of the contract in accordance with the contract terms, conditions, and specifications.
- (2) Perform or cause to be performed, inspections necessary in connection with a) above and require the Contractor to correct all deficiencies; perform acceptance for the Government.
- (3) Maintain all liaison and direct communications with the Contractor. Written communications with the Contractor and documents shall be signed as "Cognizant Technical Officer" with a copy furnished to the Contracting Officer.

(4) Issue written interpretations of technical requirements of Government drawings, designs, and specifications.

(5) Monitor the Contractor's production or performance progress and notify the Contractor in writing of deficiencies observed during surveillance, and direct appropriate action to effect correction. Record and report to the Contracting Officer incidents of faulty or nonconforming work, delays or problems.

(6) Obtain necessary security clearance and appropriate identification if access to Government facilities is required. If to be provided, ensure that Government furnished property is available when required.

LIMITATIONS: The CTO is not empowered to award, agree to, or sign any contract (including delivery or purchase orders) or modifications thereto, or in any way to obligate the payment of money by the Government. The CTO may not take any action which may impact on the contract schedule, funds, scope or rate of utilization of LOE. All contractual agreements, commitments, or modifications which involve prices, quantities, quality, schedules shall be made only by the Contracting Officer.

(c) The CTO is required to meet quarterly/semi-annually/annually with the Contractor and the Contracting Officer concerning performance of items delivered under this contract and any other administration or technical issues. Telephonic reports may be made if no problems are being experienced. Problem areas should be brought to the immediate attention of the Contracting Officer.

(d) In the absence of the designated CTO, the CTO may designate someone to serve as CTO in their place. However, such action to direct an individual to act in the CTO's stead shall immediately be communicated to the Contractor and the Contracting Officer.

(e) **Contractual Problems** - Contractual problems, of any nature, that may arise during the life of the contract must be handled in conformance with specific public laws and regulations (i.e. Federal Acquisition Regulation and Agency for International Development Acquisition Regulation). The Contractor and the CTO shall bring all contracting problems to the immediate attention of the Contracting Officer. Only the Contracting Officer is authorized to formally resolve such problems. The Contracting Officer will be responsible for resolving legal issues, determining contract scope and interpreting contract terms and conditions. The Contracting Officer is the sole authority authorized to approve changes in any of the requirements under this contract. Notwithstanding any clause contained elsewhere in this contract, the said authority remains solely with the Contracting Officer. These changes include, but will not be limited to the following areas: scope of work, price, quantity, technical specifications, delivery schedules, and contract terms and conditions. In the event the Contractor effects any changes at the direction of any other person other than the Contracting Officer, the change will be considered to have been made without authority.

(f) Failure by the Contractor to report to the Administrative Contracting Office, any action by the Government considered to a change, within the specified number of days contained in FAR 52.243-7 (Notification of Changes), waives the Contractor's right to any claims for equitable adjustments.

G.4 PAYING OFFICE

The paying office for this contract is:

OFM/USAID/Armenia
18 Marshall Baghramian Avenue
Yerevan 375019, Armenia

G.5 ACCOUNTING AND APPROPRIATION DATA

Budget Fiscal: 2002

Operating Unit:

Strategic Objective: 1.3

Team/Division: EREO

Benefiting Geo Area: 111

Object Class:

Amount Obligated:

SECTION H - SPECIAL CONTRACT REQUIREMENTS

752.7027

PERSONNEL

DEC 1990

H.1 AIDAR 752.7032 INTERNATIONAL TRAVEL APPROVAL AND NOTIFICATION REQUIREMENTS AND AIDAR 752.7027 PERSONNEL

In accordance with the above clauses, the Contracting Officer hereby provides prior written approval for international travel, provided that concurrence with the assignment of individuals outside the United States is obtained by the Contractor, in writing, from the CTO prior to their assignment abroad, which must be within the terms of this contract, is subject to availability of funds, and should not be construed as authorization either to increase the estimated cost or to exceed the obligated amount (see Section B). The Contractor shall retain for audit purposes a copy of each travel concurrence.

H.2 INSURANCE AND SERVICES

(a) Pursuant to AIDAR 752.228-3 Worker's Compensation Insurance (Defense Base Act); USAID's DBA insurance carrier is:

Rutherford International, Inc.
5500 Cherokee Avenue, Suite 300
Alexandria, VA 22312

Points of Contact:
Sara Payne or Diane Ford
(703) 354-1616

Hours of Operation are: 8 a.m. to 5 p.m. (EST)
Telefax: 703) 354-0370
E-Mail: www.rutherford.com

(b) Pursuant to AIDAR 752.228-70 Medical Evacuation (MEDEVAC) Services, USAID's Medevac service provider is:

Medex Assistance Corporation
P.O. Box 5375
Timonium, MD 21094-5375
Telephone: (410) 453-6300 in Maryland;
or (800) 537-2029 (toll-free)
Telefax: (410) 453-6301

Applicants should request coverage in accordance with USAID Contract No. HNE-Q-00-98-00106-00.

Medevac services costs are allowable as a direct cost.

H.3 AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this contract is 000 & 110.

H.4 NONEXPENDABLE PROPERTY PURCHASES AND INFORMATION TECHNOLOGY RESOURCES

The Contractor is hereby authorized to purchase the following equipment and/or resources:

H.5 LOGISTIC SUPPORT

The Contractor shall be responsible for furnishing all logistic support in the United States and overseas.

H.6 PERSONNEL COMPENSATION

(a) Limitations:

(1) Salaries and wages may not exceed the Contractor's established policy and practice, including the Contractor's established pay scale for equivalent classifications of employees, which shall be certified to by the Contractor. Nor may any individual salary or wage, without approval of the Cognizant Contracting Officer, exceed the employee's current salary or wage, or the highest rate of annual salary or wage received during any full year of the immediately preceding three (3) years.

(2) In addition, there is a ceiling on the reimbursable base salary or wage paid to personnel under the Contract equivalent to the maximum annual salary rate of the USAID "ES-6" (or the equivalent daily rate of the maximum ES-6 salary, if compensation is not calculated on an annual basis), as amended from time to time, unless an advance written waiver is granted by the USAID Procurement Executive prior to contract award.

(b) Salaries During Travel

Salaries and wages paid while in travel status will not be reimbursed for a travel period greater than the time required for travel by the most direct and expeditious air route.

(c) Return of Overseas Employees

Salaries and wages paid to an employee serving overseas who is discharged by the Contractor for misconduct, inexcusable non- performance, or security reasons will in no event be reimbursed for a period which extends beyond the time required to return him promptly to his point of origin by the most direct and expeditious air route.

(d) Annual Salary Increases

Annual salary increases (includes promotional increase) may be granted after the employee's completion of each twelve month period of satisfactory services under the contract. Annual salary increases shall be consistent with the AIDAR clause at 752.7007, Personnel Compensation. Annual salary increases of any kind exceeding these limitations or exceeding the maximum salary of ES-6 may be granted only with the advance written approval of the Contracting Officer.

(e) Consultants

No compensation for consultants will be reimbursed unless their use under the contract has advance written approval of the Contracting Officer; and if such provision has been made or approval given, compensation shall not exceed 1) the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years or 2) the maximum daily salary rate of ES-6, whichever is less.

(f) Initial Salaries

The initial starting salaries of all employees whose salaries are charged as a direct cost to this contract must be approved, in advance and in writing, by the Contracting Officer. (any initial starting salaries included in the contractor's best and final and accepted during negotiations, are deemed approved upon contract execution).

NOTE: The daily rate of a Foreign Service officer Class 1 (ES-6) is determined by dividing the annual salary by 2087 hours and multiplying the quotient by 8.

NOTE: Any Approvals issued pursuant to the above sections shall be retained by the Contractor for audit purposes. Approvals issued pursuant to the above must be within the terms of this contract, and shall not serve to increase the total estimated cost or the obligated amount of this contract, whichever is less (see Part I, Section B.3 of this contract).

(g) Work Week

(l) Nonoverseas Employees. The length of the contractor's U.S., non-overseas employees workday shall be in accordance with the contractor's established policies and practices and shall not be less than 8 hours per day and 40 hours per week.

(2) Overseas Employee

The work week for the Contractor's overseas employees shall not be less than 40 hours and shall be scheduled to coincide with the work week for those employees of the USAID Mission and the Cooperation Country associated with the work of this contract.

(h) Definitions

As used herein, the terms "Salaries," "Wages," and "Compensation" mean the periodic remuneration received for professional or technical services rendered, exclusive of any of the differentials or allowances defined in the clause of this contract entitled "Differentials and Allowances" (AIDAR 752.7028), unless otherwise stated. The term "compensation" includes payments for personal services (including fees and honoraria). It excludes earnings from sources other than the individual's professional or technical work, overhead, or other charges (see also the clause of this contract entitled "Personnel Compensation" (AIDAR 752.7007).

H.7 SUBCONTRACTING PLAN AND THE SF 294 – SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACTS AND SF 295 – SUMMARY CONTRACTING REPORT

The Contractor's subcontracting plan dated is hereby incorporated as a material part of this contract.

In accordance with FAR 52.219-9, SF 294 and SF 295 should be forwarded to the following address:

U.S. Agency for International Development
Office of Small and Disadvantaged Business
Utilization
Room 7.08 RRB
Washington, D.C. 20523

PART II - CONTRACT CLAUSES**SECTION I - CONTRACT CLAUSES****I.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE**

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an internet address (if specified) for electronic access to the full text of a clause.

NUMBER	TITLE	DATE
	FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1)	
52.202-1	DEFINITIONS	MAR 2001
52.203-3	GRATUITIES	APR 1984
52.203-5	COVENANT AGAINST CONTINGENT FEES	APR 1984
52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT	JUL 1995
52.203-7	ANTI-KICKBACK PROCEDURES	JUL 1995
52.203-8	CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY	JAN 1997
52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY	JAN 1997
52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS	JUN 1997
52.204-4	PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER	AUG 2000
52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT	JUL 1995
52.215-2	AUDIT AND RECORDS--NEGOTIATION	JUN 1999
52.215-8	ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT	OCT 1997
52.215-10	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA	OCT 1997
52.215-12	SUBCONTRACTOR COST OR PRICING DATA	OCT 1997
52.215-14	INTEGRITY OF UNIT PRICES	OCT 1997
52.215-15	PENSION ADJUSTMENTS AND ASSET REVERSIONS (DEC 1998)	DEC 1998
52.215-18	REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (PRB)	OCT 1997
52.215-19	NOTIFICATION OF OWNERSHIP CHANGES	OCT 1997
52.216-7	ALLOWABLE COST AND PAYMENT	MAR 2000
52.216-8	FIXED-FEE	MAR 1997
52.217-2	CANCELLATION UNDER MULTIYEAR CONTRACTS	OCT 1997
52.219-4	NOTICE OF PRICE EVALUATION PREFERENCE FOR HUBZONE SMALL BUSINESS CONCERNS (JAN 1999)	JAN 1999

52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS	OCT 2000
52.219-9	SMALL BUSINESS SUBCONTRACTING PLAN ALTERNATE II (OCT 2000)	OCT 2000
52.219-16	LIQUIDATED DAMAGES-SMALL BUSINESS SUBCONTRACTING PLAN	JAN 1999
52.219-25	SMALL DISADVANTAGED BUSINESS PARTICIPATION PROGRAM--DISADVANTAGED STATUS AND REPORTING	OCT 1999
52.222-3	CONVICT LABOR	AUG 1996
52.222-21	PROHIBITION OF SEGREGATED FACILITIES	FEB 1999
52.223-6	DRUG-FREE WORKPLACE	MAR 2001
52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES	JUL 2000
52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT	AUG 1996
52.227-14	RIGHTS IN DATA--GENERAL	JUN 1987
52.228-7	INSURANCE--LIABILITY TO THIRD PERSONS	MAR 1996
52.230-2	COST ACCOUNTING STANDARDS	APR 1998
52.230-6	ADMINISTRATION OF COST ACCOUNTING STANDARDS	APR 1996
52.232-17	INTEREST	JUN 1996
52.232-22	LIMITATION OF FUNDS	APR 1984
52.232-23	ASSIGNMENT OF CLAIMS	JAN 1986
52.233-1	DISPUTES	DEC 1998
52.233-3	PROTEST AFTER AWARD ALTERNATE I (JUN 1985)	AUG 1996
52.242-1	NOTICE OF INTENT TO DISALLOW COSTS	APR 1984
52.242-3	PENALTIES FOR UNALLOWABLE COSTS	MAR 2001
52.242-4	CERTIFICATION OF FINAL INDIRECT COSTS	JAN 1997
52.242-13	BANKRUPTCY	JUL 1995
52.243-2	CHANGES--COST REIMBURSEMENT ALTERNATE I (APR 1984)	AUG 1987
52.244-2	SUBCONTRACTS ALTERNATE II (AUG 1998)	AUG 1998
52.244-5	COMPETITION IN SUBCONTRACTING	DEC 1996
52.244-6	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS	MAR 2001
52.246-23	LIMITATION OF LIABILITY	FEB 1997
52.246-25	LIMITATION OF LIABILITY--SERVICES	FEB 1997
52.249-6	TERMINATION (COST-REIMBURSEMENT)	SEP 1996
52.249-14	EXCUSABLE DELAYS	APR 1984
52.253-1	COMPUTER GENERATED FORMS	JAN 1991
752.202-1	DEFINITIONS	
752.211-70	LANGUAGE AND MEASUREMENT	JUN 1992
752.226-2	SUBCONTRACTING WITH DISADVANTAGED ENTERPRISE	APR 1997
752.226-3	LIMITATIONS ON SUBCONTRACTING	JUN 1993
752.228-7	INSURANCE-LIABILITY TO THIRD PERSONS	
752.228-70	MEDICAL EVACUATION (MEDVAC) SERVICES	MAR 1993
752.242-70	PERIODIC PROGRESS REPORTS	JUL 1998
752.7001	BIOGRAPHICAL DATA	JUL 1997
752.7002	TRAVEL AND TRANSPORTATION	JAN 1990
752.7006	NOTICES	APR 1984
752.7007	PERSONNEL COMPENSATION	JUL 1996

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752.7008	USE OF GOVERNMENT FACILITIES OR PERSONNEL	APR 1984
752.7010	CONVERSION OF U.S. DOLLARS TO LOCAL CURRENCY	APR 1984
752.7011	ORIENTATION AND LANGUAGE TRAINING	APR 1984
752.7013	CONTRACTOR-MISSION RELATIONSHIPS	OCT 1989
752.7014	NOTICE OF CHANGES IN TRAVEL REGULATIONS	JAN 1990
752.7015	USE OF POUCH FACILITIES	JUL 1997
752.7018	HEALTH AND ACCIDENT COVERAGE FOR USAID PARTICIPANT TRAINEES	JAN 1999
752.7019	PARTICIPANT TRAINING	JAN 1999
752.7023	REQUIRED VISA FORM FOR USAID PARTICIPANTS	APR 1984
752.7025	APPROVALS	APR 1984
752.7028	DIFFERENTIALS AND ALLOWANCES	JUL 1996
752.7029	POST PRIVILEGES	JUL 1993
752.7033	PHYSICAL FITNESS	JUL 1997

I.2 52.204-1 APPROVAL OF CONTRACT (DEC 1989)

This contract is subject to the written approval of and shall not be binding until so approved.

I.3 52.219-23 NOTICE OF PRICE EVALUATION ADJUSTMENT FOR SMALL DISADVANTAGED BUSINESS CONCERNS (MAR 2001)

(a) Definitions. As used in this clause--

Small disadvantaged business concern means an offeror that represents, as part of its offer, that it is a small business under the size standard applicable to this acquisition; and either--

(1) It has received certification by the Small Business Administration as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B; and

(i) No material change in disadvantaged ownership and control has occurred since its certification;

(ii) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and

(iii) It is identified, on the date of its representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration (PRO-Net).

(2) It has submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted. In this case, in order to receive the benefit of a price evaluation adjustment, an offeror must receive certification as a small disadvantaged business concern by the Small Business Administration prior to contract award; or

(3) Is a joint venture as defined in 13 CFR 124.1002(f).

Historically black college or university means an institution determined by the Secretary of Education to meet the requirements of 34 CFR 608.2. For the Department of Defense (DoD), the National Aeronautics and Space Administration (NASA), and the Coast Guard, the term also includes any nonprofit research institution that was an integral part of such a college or university before November 14, 1986.

Minority institution means an institution of higher education meeting the requirements of Section 1046(3) of the Higher Education Act of 1965 (20 U.S.C. 1067k, including a Hispanic-serving institution of higher education, as defined in Section 316(b)(1) of the Act (20 U.S.C. 1101a)).

United States means the United States, its territories and possessions, the Commonwealth of Puerto Rico, the U.S. Trust Territory of the Pacific Islands, and the District of Columbia.

(b) Evaluation adjustment. (1) The Contracting Officer will evaluate offers by adding a factor of 10 percent to the price of all offers, except--

(i) Offers from small disadvantaged business concerns that have not waived the adjustment;

(ii) An otherwise successful offer of eligible products under the Trade Agreements Act when the dollar threshold for application of the Act is equaled or exceeded (see section 25.402 of the Federal Acquisition Regulation (FAR));

(iii) An otherwise successful offer where application of the factor would be inconsistent with a Memorandum of Understanding or other international agreement with a foreign government;

(iv) For DoD, NASA, and Coast Guard acquisitions, an otherwise successful offer from a historically black college or university or minority institution; and

(v) For DoD acquisitions, an otherwise successful offer of qualifying country end products (see sections 225.000-70 and 252.225-7001 of the Defense FAR Supplement).

(2) The Contracting Officer will apply the factor to a line item or a group of line items on which award may be made. The Contracting Officer will apply other evaluation factors described in the solicitation before application of the factor. The factor may not be applied if using the adjustment would cause the contract award to be made at a price that exceeds the fair market price by more than the factor in paragraph (b)(1) of this clause.

(c) Waiver of evaluation adjustment. A small disadvantaged business concern may elect to waive the adjustment, in which case the factor will be added to its offer for evaluation purposes. The agreements in paragraph (d) of this clause do not apply to offers that waive the adjustment.

[] Offeror elects to waive the adjustment.

(d) Agreements. (1) A small disadvantaged business concern, that did not waive the adjustment, agrees that in performance of the contract, in the case of a contract for --

(i) Services, except construction, at least 50 percent of the cost of personnel for contract performance will be spent for employees of the concern;

(ii) Supplies (other than procurement from a nonmanufacturer of such supplies), at least 50 percent of the cost of manufacturing, excluding the cost of materials, will be performed by the concern;

(iii) General construction, at least 15 percent of the cost of the contract, excluding the cost of materials, will be performed by employees of the concern; or

(iv) Construction by special trade contractors, at least 25 percent of the cost of the contract, excluding the cost of materials, will be performed by employees of the concern.

(2) A small disadvantaged business concern submitting an offer in its own name agrees to furnish in performing this contract only end items manufactured or produced by small disadvantaged business concerns in the United States. This paragraph does not apply in connection with construction or service contracts.

I.4 52.219-26 SMALL DISADVANTAGED BUSINESS PARTICIPATION PROGRAM--INCENTIVE SUBCONTRACTING (OCT 2000)

(a) Of the total dollars it plans to spend under subcontracts, the Contractor has committed itself in its offer to try to award a certain amount to small disadvantaged business concerns in the North American Industry Classification System (NAICS) Industry Subsectors as determined by the Department of Commerce.

(b) If the Contractor exceeds its total monetary target for subcontracting to small disadvantaged business concerns in the authorized SIC Major Groups, it will receive percent of the dollars in excess of the monetary target, unless the Contracting Officer determines that the excess was not due to the Contractor's efforts (e.g., a subcontractor cost overrun caused the actual subcontract amount to exceed that estimated in the offer, or the excess was caused by the award of subcontracts that had been planned but had not been disclosed in the offer during contract negotiations). Determinations made under this paragraph are not subject to the Disputes clause of this contract.

(c) If this is a cost-plus-fixed-fee contract, the sum of the fixed fee and the incentive fee earned under this contract may not exceed the limitations in subsection 15.404-4 of the Federal Acquisition Regulation.

I.5 52.232-25 PROMPT PAYMENT (MAR 2001)

Notwithstanding any other payment clause in this contract, the Government will make invoice payments and contract financing payments under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or the date of an electronic funds transfer. Definitions of pertinent terms are set forth in sections 2.101 and 32.902 of the Federal Acquisition Regulation. All days referred to in this clause are calendar days, unless otherwise specified. (However, see subparagraph (a)(4) of this clause concerning payments due on Saturdays, Sundays, and legal holidays.)

(a) Invoice payments (1) Due Date. (i) Except as indicated in subparagraph (a)(2) and paragraph (c) of this clause, the due date for making invoice payments by the designated payment office shall be the later of the following two events:

(A) The 30th day after the designated billing office has received a proper invoice from the Contractor (except as provided in subdivision (a)(1)(ii) of this clause).

(B) The 30th day after Government acceptance of supplies delivered or services performed by the Contractor. On a final invoice where the payment amount is subject to contract settlement actions, acceptance shall be deemed to have occurred on the effective date of the contract settlement.

(ii) If the designated billing office fails to annotate the invoice with the actual date of receipt at the time of receipt, the invoice payment due date shall be the 30th day after the date of the Contractor's invoice; provided a proper invoice is received and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

(2) Certain food products and other payments. (i) Due dates on Contractor invoices for meat, meat food products, or fish; perishable agricultural commodities; and dairy products, edible fats or oils, and food products prepared from edible fats or oils are--

(A) For meat or meat food products, as defined in section 2(a)(3) of the Packers and Stockyard Act of 1921 (7 U.S.C. 182(3)), and as further defined in Pub. L. 98-181, including any edible fresh or frozen poultry meat, any perishable

poultry meat food product, fresh eggs, and any perishable egg product, as close as possible to, but not later than, the 7th day after product delivery.

(B) For fresh or frozen fish, as defined in section 204(3) of the Fish and Seafood Promotion Act of 1986 (16 U.S.C. 4003(3)), as close as possible to, but not later than, the 7th day after product delivery.

(C) For perishable agricultural commodities, as defined in section 1(4) of the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499a(4)), as close as possible to, but not later than, the 10th day after product delivery, unless another date is specified in the contract.

(D) For dairy products, as defined in section 111(e) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502(e)), edible fats or oils, and food products prepared from edible fats or oils, as close as possible to, but not later than, the 10th day after the date on which a proper invoice has been received. Liquid milk, cheese, certain processed cheese products, butter, yogurt, ice cream, mayonnaise, salad dressings, and other similar products, fall within this classification. Nothing in the Act limits this classification to refrigerated products. When questions arise regarding the proper classification of a specific product, prevailing industry practices will be followed in specifying a contract payment due date. The burden of proof that a classification of a specific product is, in fact, prevailing industry practice is upon the Contractor making the representation.

(ii) If the contract does not require submission of an invoice for payment (e.g., periodic lease payments), the due date will be as specified in the contract.

(3) Contractor's invoice. The Contractor shall prepare and submit invoices to the designated billing office specified in the contract. A proper invoice must include the items listed in paragraph (a)(3)(i) through (a)(3)(viii) of this clause. If the invoice does not comply with these requirements, it shall be returned within 7 days after the date the designated billing office received the invoice (3 days for meat, meat food products, or fish; 5 days for perishable agricultural commodities, edible fats or oils, and food products prepared from edible fats or oils), with a statement of the reasons why it is not a proper invoice. Untimely notification will be taken into account in computing any interest penalty owed the Contractor in the manner described in subparagraph (a)(5) of this clause.

(i) Name and address of the Contractor.

(ii) Invoice date. (The Contractor is encouraged to date invoices as close as possible to the date of the mailing or transmission.)

(iii) Contract number or other authorization for supplies delivered or services performed (including order number and contract line item number).

(iv) Description, quantity, unit of measure, unit price, and extended price of supplies delivered or services performed.

(v) Shipping and payment terms (e.g., shipment number and date of shipment, prompt payment discount terms). Bill of lading number and weight of shipment will be shown for shipments on Government bills of lading.

(vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment).

(vii) Name (where practicable), title, phone number, and mailing address of person to be notified in the event of a defective invoice.

(viii) Any other information or documentation required by the contract (such as evidence of shipment).

(ix) While not required, the Contractor is strongly encouraged to assign an identification number to each invoice.

(4) Interest penalty. An interest penalty shall be paid automatically by the designated payment office, without request from the Contractor, if payment is not made by the due date and the conditions listed in paragraphs (a)(4)(i) through (a)(4)(iii) of this clause are met, if applicable. However, when the due date falls on a Saturday, Sunday, or legal holiday when Federal Government offices are closed and Government business is not expected to be conducted, payment may be made on the following business day without incurring a late payment interest penalty.

(i) A proper invoice was received by the designated billing office.

(ii) A receiving report or other Government documentation authorizing payment was processed, and there was no disagreement over quantity, quality, or Contractor compliance with any contract term or condition.

(iii) In the case of a final invoice for any balance of funds due the Contractor for supplies delivered or services performed, the amount was not subject to further contract settlement actions between the Government and the Contractor.

(5) Computing penalty amount. The interest penalty shall be at the rate established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the day after the due date, except where the interest penalty is prescribed by other governmental authority (e.g., tariffs). This rate is referred to as the "Renegotiation Board Interest Rate," and it is published in the Federal Register semiannually on or about January 1 and July 1. The interest penalty shall accrue daily on the invoice principal payment amount approved by the Government until the payment date of such approved principal amount; and will be compounded in 30-day increments inclusive from the first day after the due date through the payment date. That is, interest accrued at the end of any 30-day period will be added to the approved invoice principal payment amount and will be subject to interest penalties if not paid in the succeeding 30-day period. If the designated billing office failed to notify the Contractor of a defective invoice within the periods prescribed in subparagraph (a)(3) of this clause, the due date on the corrected invoice will be adjusted by subtracting from such date the number of days taken beyond the prescribed notification of defects period. Any interest penalty owed the Contractor will be based on this adjusted due date. Adjustments will be made by the designated payment office for errors in calculating interest penalties.

(i) For the sole purpose of computing an interest penalty that might be due the Contractor, Government acceptance shall be deemed to have occurred constructively on the 7th (unless otherwise specified in this contract) after the Contractor delivered the supplies or performed the services in accordance with the terms and conditions of the contract, unless there is a disagreement over quantity, quality, or Contractor compliance with a contract provision. In the event that actual acceptance occurs within the constructive acceptance period, the determination of an interest penalty shall be based on the actual date of acceptance. The constructive acceptance requirement does not, however, compel Government officials to accept supplies or services, perform contract administration functions, or make payment prior to fulfilling their responsibilities.

(ii) The following periods of time will not be included in the determination of an interest penalty:

(A) The period taken to notify the Contractor of defects in invoices submitted to the Government, but this may not exceed 7 days (3 days for meat, meat food products, or fish; 5 days for perishable agricultural commodities, dairy products, edible fats or oils, and food products prepared from edible fats or oils).

(B) The period between the defects notice and resubmission of the corrected invoice by the Contractor.

(C) For incorrect electronic funds transfer (EFT) information, in accordance with the EFT clause of this contract.

(iii) Interest penalties will not continue to accrue after the filing of a claim for such penalties under the clause at 52.233-1, Disputes, or for more than 1 year. Interest penalties of less than \$1 need not be paid.

(iv) Interest penalties are not required on payment delays due to disagreement between the Government and the Contractor over the payment amount or other issues involving contract compliance or on amounts temporarily withheld or retained in accordance with the terms of the contract. Claims involving disputes, and any interest that may be payable, will be resolved in accordance with the clause at 52.233-1, Disputes.

(6) Prompt payment discounts. An interest penalty also shall be paid automatically by the designated payment office, without request from the Contractor, if a discount for prompt payment is taken improperly. The interest penalty will be calculated as described in subparagraph (a)(5) of this clause on the amount of discount taken for the period beginning with the first day after the end of the discount period through the date when the Contractor is paid.

(7) Additional interest penalty. (i) a penalty amount, calculated in accordance with paragraph (a)(7)(iii) of this clause, shall be paid in addition to the interest penalty amount if the Contractor--

(A) Is owed an interest penalty of \$1 or more;

(B) Is not paid the interest penalty within 10 days after the date the invoice amount is paid; and

(C) Makes a written demand to the designated payment office for additional penalty payment, in accordance with paragraph (a)(7)(ii) of this clause, postmarked not later than 40 days after the invoice amount is paid.

(ii)(A) Contractors shall support written demands for additional penalty payments with the following data. No additional data shall be required. Contractors shall--

(1) Specifically assert that late payment interest is due under a specific invoice, and request payment of all overdue late payment interest penalty and such additional penalty as may be required;

(2) Attach a copy of the invoice on which the unpaid late payment interest was due; and

(3) State that payment of the principal has been received, including the date of receipt.

(B) Demands must be postmarked on or before the 40th day after payment was made, except that--

(1) If the postmark is illegible or nonexistent, the demand must have been received and annotated with the date of receipt by the designated payment office on or before the 40th day after payment was made; or

(2) If the postmark is illegible or nonexistent and the designated payment office fails to make the required annotation, the demand's validity will be determined by the date the Contractor has placed on the demand; provided such date is no later than the 40th day after payment was made.

(iii)(A) The additional penalty shall be equal to 100 percent of any original late payment interest penalty, except--

(1) The additional penalty shall not exceed \$5,000;

(2) The additional penalty shall never be less than \$25; and

(3) No additional penalty is owed if the amount of the underlying interest penalty is less than \$1.

(B) If the interest penalty ceases to accrue in accordance with the limits stated in paragraph (a)(5)(iii) of this clause, the amount of the additional penalty shall be calculated on the amount of interest penalty that would have accrued in the absence of these limits, subject to the overall limits on the additional penalty specified in paragraph (a)(7)(iii)(A) of this clause.

(C) For determining the maximum and minimum additional penalties, the test shall be the interest penalty due on each separate payment made for each separate contract. The maximum and minimum additional penalty shall not be based upon individual invoices unless the invoices are paid separately. Where payments are consolidated for disbursing purposes, the maximum and minimum additional penalty determination shall be made separately for each contract therein.

(D) The additional penalty does not apply to payments regulated by other Government regulations (e.g., payments under utility contracts subject to tariffs and regulation).

(b) Contract financing payments--(1) Due dates for recurring financing payments. If this contract provides for contract financing, requests for payment shall be submitted to the designated billing office as specified in this contract or as directed by the Contracting Officer. Contract financing payments shall be made on the 30th day after receipt of a proper contract financing request by the designated billing office. In the event that an audit or other review of a specific financing request is required to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the due date specified.

(2) Due dates for other contract financing. For advance payments, loans, or other arrangements that do not involve recurring submissions of contract financing requests, payment shall be made in accordance with the corresponding contract terms or as directed by the Contracting Officer.

(3) Interest penalty not applicable. Contract financing payments shall not be assessed an interest penalty for payment delays.

(c) Fast payment procedure due dates. If this contract contains the clause at 52.213-1, Fast Payment Procedure, payments will be made within 15 days after the date of receipt of the invoice.

I.6 52.246-24 LIMITATION OF LIABILITY--HIGH-VALUE ITEMS (FEB 1997) ALTERNATE I (APR 1984)

(a) Except as provided in paragraphs (b) through (e) below, and notwithstanding any other provision of this contract, the Contractor shall not be liable for loss of or damage to property of the Government (including the supplies delivered under this contract) that (1) occurs after Government acceptance of the supplies delivered under this contract and (2) results from any defects or deficiencies in the supplies.

(b) The limitation of liability under paragraph (a) above shall not apply when a defect or deficiency in, or the Government's acceptance of, the supplies results from willful misconduct or lack of good faith on the part of any of the Contractor's managerial personnel. The term "Contractor's managerial personnel," as used in this clause, means the Contractor's directors, officers, and any of the Contractor's managers, superintendents, or equivalent representatives who have supervision or direction of--

(1) All or substantially all of the Contractor's business;

(2) All or substantially all of the Contractor's operations at any one plant, laboratory, or separate location at which the contract is being performed; or

(3) A separate and complete major industrial operation connected with the performance of this contract.

(c) If the Contractor carries insurance, or has established a reserve for self-insurance, covering liability for loss or damage suffered by the Government through purchase or use of the supplies required to be delivered under this contract, the Contractor shall be liable to the Government, to the extent of such insurance or reserve, for loss of or damage to property of the Government occurring after Government acceptance of, and resulting from any defects or deficiencies in, the supplies delivered under this contract.

(d) (1) This clause does not diminish the Contractor's obligations, to the extent that they arise otherwise under this contract, relating to correction, repair, replacement, or other relief for any defect or deficiency in supplies delivered under this contract.

(2) Unless this is a cost-reimbursement contract, if loss or damage occurs and correction, repair, or replacement is not feasible or desired by the Government, the Contractor shall, as determined by the Contracting Officer--

(i) Pay the Government the amount it would have cost the Contractor to make correction, repair, or replacement before the loss or damage occurred; or

(ii) Provide other equitable relief.

(e) This clause shall not limit or otherwise affect the Government's rights under clauses, if included in this contract, that cover--

(1) Warranty of technical data;

(2) Ground and flight risks or aircraft flight risks; or

(3) Government property.

I.7 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://www.arnet.gov/far>

I.8 AIDAR 752.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS AND SMALL DISADVANTAGED BUSINESS CONCERNS

(a) It is the policy of the United States that small business concerns, HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women shall have the maximum practicable opportunity to participate in performing contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business concerns, HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women.

(b) The Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. The Contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the Contractor's compliance with this clause.

(c) Definitions. As used in this contract

(1) Small business concern means a small business as defined pursuant to section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto.

(2) HUBZone small business concern means a small business concern that appears on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration.

(3) Small business concern owned and controlled by socially and economically disadvantaged individuals and small disadvantaged business concern mean a small business concern that represents, as part of its offer that--

(i) It has received certification as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B;

(ii) No material change in disadvantaged ownership and control has occurred since its certification;

(iii) Where the concern is owned by one or more individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104 (c)(2); and

(iv) It is identified, on the date of its representation, as a certified small disadvantaged business in the database maintained by the Small Business Administration (PRO-Net).

(4) Small business concern owned and controlled by women means a small business concern--

(i) Which is at least 51 percent owned by one or more women, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(ii) Whose management and daily business operations are controlled by one or more women.

(d) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as a small business concern, a HUBZone small business concern, a small business concern owned and controlled by socially and economically disadvantaged individuals, or a small business concern owned and controlled by women.

USAID small business provision. To permit USAID, in accordance with the small business provisions of the Foreign Assistance Act, to give small business firms an opportunity to participate in supplying equipment supplies and services financed under this contract, the Contractor shall, to the maximum extent possible, provide the following information to the Office of Small and Disadvantaged Business Utilization (OSDBU), USAID, Washington, DC 20523-1414, at least 45 days prior to placing any order in excess of the simplified acquisition threshold except where a shorter time is requested of, and granted by OSDBU:

(1) Brief general description and quantity of commodities or services;

(2) Closing date for receiving quotations or bids; and

(3) Address where invitations or specifications may be obtained.

I.9 USAIDAR 752.7032 INTERNATIONAL TRAVEL APPROVAL AND NOTIFICATION REQUIREMENTS (JAN 1990)

Prior written approval by the Contracting Officer is required for all international travel directly and identifiably funded by USAID under this contract. The Contractor shall therefore present to the Contracting Officer an itinerary for each planned international trip, showing the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advanced of the proposed travel as possible, but in no event less than three weeks before travel is planned to commence. The Contracting Officer's prior written approval may be in the form of a letter or telegram or similar device or may be specifically incorporated into the schedule of the contract. At least one week prior to commencement of approved international travel, the Contractor shall notify the cognizant Mission, with a copy to the Contracting Officer, of planned travel, identifying the travellers and the dates and times of arrival.

I.10 52.228-3 WORKERS' COMPENSATION INSURANCE (DEFENSE BASE ACT) (APR 1984)

The Contractor shall (a) provide, before commencing performance under this contract, such workers' compensation insurance or security as the Defense Base Act (42 U.S.C. 1651 et seq.) requires and (b) continue to maintain it until performance is completed. The Contractor shall insert, in all subcontracts under this contract to which the Defense Base Act applies, a clause similar to this clause (including this sentence) imposing upon those subcontractors this requirement to comply with the Defense Base Act.

I.11 COMMUNICATIONS PRODUCTS (OCT 1994)

(a) Definition - Communications products are any printed materials (other than non-color photocopy material), photographic services or video production services.

(b) Standards - USAID has established standards for communications products. These standards must be followed unless otherwise specifically provided in the contract or approved in writing by the contracting officer. A copy of the standards for USAID financed publications and video productions is attached.

(c) Communications products which meet any of the following criteria are not eligible for USAID financing under this agreement unless specifically authorized in the contract or in writing by the contracting officer:

(1) All communications materials funded by operating expense account funds;

(2) Any communication products costing over \$25,000, including the costs of both preparation and execution. For example, in the case of a publication, the costs will include research, writing and other editorial services (including any associated overhead), design, layout and production costs.

(3) Any communication products that will be sent directly to, or likely to be seen by, a Member of Congress or Congressional staffer; and

(4) Any publication that will have more than 50 percent of its copies distributed in the United States (excluding copies provided to CDIE and other USAID/W offices for internal use.

(d) The initial proposal must provide a separate estimate of the cost of every communications product as defined in paragraph (a) above [not just those which meet the criteria in paragraph (c)] which is anticipated under the contract. Each estimate must include all of the costs associated with preparation and execution of the product. Any subsequent request for approval of a covered communication product must provide the same type of cost information.

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS**SECTION J - LIST OF ATTACHMENTS**

ATTACHMENT NUMBER	TITLE	DATE	NO. PAGES
ATTACHMENT 1	IDENTIFICATION OF PRINCIPAL GEOGRAPHIC CODE NUMBERS A hard copy is attached at the end of this document		1
ATTACHMENT 2	USAID FORM 1420-17 - CONTRACTOR BIOGRAPHICAL DATA SHEET Please locate the electronic version of the form at http://www.USAID.GOV/procurement_bus_opp/procurement/forms/		2
ATTACHMENT 3	SF LLL - DISCLOSURE OF LOBBYING ACTIVITIES Please locate the electronic version of the form at http://www.USAID.GOV/procurement_bus_opp/procurement/forms/		3
ATTACHMENT 4	CERTIFICATE OF CURRENT COST AND PRICING DATA A hard copy is attached at the end of this document; however, for an electronic version, please locate the form at http://www.USAID.GOV/procurement_bus_opp/procurement/forms/		1
ATTACHMENT 5	MODEL SMALL BUSINESS/SMALL DISADVANTAGED SUBCONTRACTING PLAN A hard copy is attached at the end of this document; however, for an electronic version, please locate the form at http://www.USAID.GOV/procurement_bus_opp/procurement/forms/		
ATTACHMENT 6	SF 294 - SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACTS Please locate the electronic version of the form at http://www.USAID.GOV/procurement_bus_opp/procurement/forms/		6
ATTACHMENT 7	AID 1420 - 65 AID CONTRACTOR EMPLOYEE PHYSICAL EXAMINATION FORM Please locate the electronic version of the form at http://www.USAID.GOV/procurement_bus_opp/procurement/forms/		4
ATTACHMENT 8	MISSION STRATEGY DOCUMENT The USAID/Armenia Strategy can be found at http://www.usaid.gov/countries/am		
ATTACHMENT 9	LIST OF REPORTS Project Reports for the Bank Supervision Phase I – prepared by Barents Group of KPMG Consulting can be found at http://www.usaid.gov/countries/am		1
ATTACHMENT 10	USAID/ARMENIA FSN COMPENSATION PLAN A hard copy is attached at the end of this document		1

PART IV - REPRESENTATIONS AND INSTRUCTIONS**SECTION K - REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS
OF OFFERORS****K.1 NOTICE LISTING SOLICITATION PROVISIONS INCORPORATED BY REFERENCE**

The following solicitation provisions pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the FAR provision at FAR "52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE" in Section L of this solicitation. See FAR 52.252-1 for an internet address (if specified) for electronic access to the full text of a provision.

NUMBER	TITLE	DATE
52.203-11	FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1) CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS	APR 1991

K.2 52.204-3 TAXPAYER IDENTIFICATION (OCT 1998)**(a) Definitions.**

Common parent, as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member.

Taxpayer Identification Number (TIN), as used in this provision, means the number required by the Internal Revenue Service (IRS) to be used by the offeror in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

(b) All offerors must submit the information required in paragraphs (d) through (f) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the IRS. If the resulting contract is subject to the payment reporting requirements described in Federal Acquisition Regulation (FAR) 4.904, the failure or refusal by the offeror to furnish the information may result in a 31 percent reduction of payments otherwise due under the contract.

(c) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(d) Taxpayer Identification Number (TIN).

[] TIN: _____

[] TIN has been applied for.

[] TIN is not required because:

☐ Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;

☐ Offeror is an agency or instrumentality of a foreign government;

☐ Offeror is an agency or instrumentality of the Federal Government.

(e) Type of organization.

☐ Sole proprietorship;

☐ Partnership;

☐ Corporate entity (not tax-exempt);

☐ Corporate entity (tax-exempt);

☐ Government entity (Federal, State, or local);

☐ Foreign government;

☐ International organization per 26 CFR 1.6049-4;

☐ Other _____

(f) Common parent.

☐ Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this provision.

☐ Name and TIN of common parent:

Name _____

TIN _____

K.3 52.209-5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS (APR 2001)

(a)(1) The Offeror certifies, to the best of its knowledge and belief, that -

(i) The Offeror and/or any of its Principals -

(A) Are ☐ are not ☐ presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(B) Have ☐ have not ☐, within a 3-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion or receiving stolen property; and

(C) Are ☐ are not ☐ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.

(D) Have ☐ have not ☐, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(E) Are ☐ are not ☐ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(D) of this provision.

(ii) The Offeror has ☐ has not ☐, within a 3-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER SECTION 1001, TITLE 18, UNITED STATES CODE.

(b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

K.4 52.215-6 PLACE OF PERFORMANCE (OCT 1997)

(a) The offeror or respondent, in the performance of any contract resulting from this solicitation, ☐ intends, ☐ does not intend [check applicable block] to use one or more plants or facilities located at a different address from the address of the offeror or respondent as indicated in this proposal or response to request for information.

(b) If the offeror or respondent checks "intends" in paragraph (a) of this provision, it shall insert in the following spaces the required information:

Place of performance (street address, city, state, county, code)	Name and address of owner and operator of the plant or facility if other than offeror or respondent

K.5 52.219-22 SMALL DISADVANTAGED BUSINESS STATUS (OCT 1999)

(a) General. This provision is used to assess an offeror's small disadvantaged business status for the purpose of obtaining a benefit on this solicitation. Status as a small business and status as a small disadvantaged business for general statistical purposes is covered by the provision at FAR 52.219-1, Small Business Program Representation.

(b) Representations.

(1) General. The offeror represents, as part of its offer, that it is a small business under the size standard applicable to this acquisition; and either--

[] (i) It has received certification by the Small Business Administration as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B; and

(A) No material change in disadvantaged ownership and control has occurred since its certification;

(B) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and

(C) It is identified, on the date of its representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration (PRO-Net); or

[] (ii) It has submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.

(2) [] For Joint Ventures. The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements at 13 CFR 124.1002(f) and that the representation in paragraph (b)(1) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. [The offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture:

_____.]

(c) Penalties and Remedies. Anyone who misrepresents any aspects of the disadvantaged status of a concern for the purposes of securing a contract or subcontract shall:

- (1) Be punished by imposition of a fine, imprisonment, or both;
- (2) Be subject to administrative remedies, including suspension and debarment; and
- (3) Be ineligible for participation in programs conducted under the authority of the Small Business Act.

K.6 52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (FEB 1999)

The offeror represents that--

(a) It ☐ has, ☐ has not participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation; the clause originally contained in Section 310 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114;

(b) It ☐ has, ☐ has not filed all required compliance reports; and

(c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

K.7 52.222-25 AFFIRMATIVE ACTION COMPLIANCE (APR 1984)

The offeror represents that--

(a) It ☐ has developed and has on file, ☐ has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) It ☐ has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

K.8 52.226-2 HISTORICALLY BLACK COLLEGE OR UNIVERSITY AND MINORITY INSTITUTION REPRESENTATION (MAR 2001)

(a) Definitions. As used in this provision--

Historically black college or university means an institution determined by the Secretary of Education to meet the requirements of 34 CFR 608.2. For the Department of Defense, the National Aeronautics and Space Administration, and the Coast Guard, the term also includes any nonprofit research institution that was an integral part of such a college or university before November 14, 1986.

Minority institution means an institution of higher education meeting the requirements of Section 1046(3) of the Higher Education Act of 1965 (20 U.S.C. 1067k, including a Hispanic-serving institution of higher education, as defined in Section 316(b)(1) of the Act (20 U.S.C. 1101a)).

(b) Representation. The offeror represents that it--

☐ is ☐ is not a historically black college or university;

☐ is ☐ is not a minority institution.

K.9 52.227-15 STATEMENT OF LIMITED RIGHTS DATA AND RESTRICTED COMPUTER SOFTWARE (MAY 1999)

(a) This solicitation sets forth the work to be performed if a contract award results, and the Government's known delivery requirements for data (as defined in FAR 27.401). Any resulting contract may also provide the Government the option to order additional data under the Additional Data Requirements clause at 52.227-16 of the FAR, if included in the contract. Any data delivered under the resulting contract will be subject to the Rights in Data--General clause at 52.227-14 that is to be included in this contract. Under the latter clause, a Contractor may withhold from delivery data that qualify as limited rights data or restricted computer software, and deliver form, fit, and function data in lieu thereof. The latter clause also may be used with its Alternates II and/or III to obtain delivery of limited rights data or restricted computer software, marked with limited rights or restricted rights notices, as appropriate. In addition, use of Alternate V with this latter clause provides the Government the right to inspect such data at the Contractor's facility.

(b) As an aid in determining the Government's need to include Alternate II or Alternate III in the clause at 52.227-14, Rights in Data--General, the offeror shall complete paragraph (c) of this provision to either state that none of the data qualify as limited rights data or restricted computer software, or identify, to the extent feasible, which of the data qualifies as limited rights data or restricted computer software. Any identification of limited rights data or restricted computer software in the offeror's response is not determinative of the status of such data should a contract be awarded to the offeror.

(c) The offeror has reviewed the requirements for the delivery of data or software and states [offeror check appropriate block]--

[] None of the data proposed for fulfilling such requirements qualifies as limited rights data or restricted computer software.

[] Data proposed for fulfilling such requirements qualify as limited rights data or restricted computer software and are identified as follows:

Note: "Limited rights data" and "Restricted computer software" are defined in the contract clause entitled "Rights in Data--General."

K.10 52.230-1 COST ACCOUNTING STANDARDS NOTICES AND CERTIFICATION (JUNE 2000)

NOTE:

This notice does not apply to small businesses or foreign governments.

This notice is in three parts, identified by Roman numerals I through III.

If the offeror is an educational institution, Part II does not apply unless the contemplated contract will be subject to full or modified CAS coverage pursuant to 48 CFR 9903.201-2(c)(5) or 9903.201-2(c)(6), respectively.

Offerors shall examine each part and provide the requested information in order to determine Cost Accounting Standards (CAS) requirements applicable to any resultant contract.

I. DISCLOSURE STATEMENT-COST ACCOUNTING PRACTICES AND CERTIFICATION

(a) Any contract in excess of \$500,000 resulting from this solicitation will be subject to the requirements of the Cost Accounting Standards Board (48 CFR Chapter 99), except for those contracts which are exempt as specified in 48 CFR 9903.201-1.

(b) Any offeror submitting a proposal which, if accepted, will result in a contract subject to the requirements of 48 CFR, Chapter 99 must, as a condition of contracting, submit a Disclosure Statement as required by 48 CFR 9903.202. When required, the Disclosure Statement must be submitted as a part of the offeror's proposal under this solicitation unless the offeror has already submitted a Disclosure Statement disclosing the practices used in connection with the pricing of this proposal. If an applicable Disclosure Statement has already been submitted, the offeror may satisfy the requirement for submission by providing the information requested in paragraph (c) of Part I of this provision.

CAUTION: In the absence of specific regulations or agreement, a practice disclosed in a Disclosure Statement shall not, by virtue of such disclosure, be deemed to be a proper, approved, or agreed-to practice for pricing proposals or accumulating and reporting contract performance cost data.

(c) Check the appropriate box below:

☐ (1) Certificate of Concurrent Submission of Disclosure Statement. The offeror hereby certifies that, as a part of the offer, copies of the Disclosure Statement have been submitted as follows: (i) original and one copy to the cognizant Administrative Contracting Officer (ACO) or cognizant Federal agency official authorized to act in that capacity (Federal official), as applicable, and (ii) one copy to the cognizant Federal auditor.

(Disclosure must be on Form No. CASB DS-1 or CASB DS-2, as applicable. Forms may be obtained from the cognizant ACO or Federal official and/or from the loose-leaf version of the Federal Acquisition Regulation.)

Date of Disclosure Statement:

Name and Address of Cognizant ACO or
Federal Official Where Filed:

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement.

☐ (2) Certificate of Previously Submitted Disclosure Statement. The offeror hereby certifies that the required Disclosure Statement was filed as follows:

Date of Disclosure Statement:

Name and Address of Cognizant ACO or Federal Official Where Filed:

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the applicable Disclosure Statement.

☐ (3) Certificate of Monetary Exemption. The offeror hereby certifies that the offeror, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards of negotiated prime contracts and subcontracts subject to CAS totaling \$50 million or more in the cost accounting period immediately preceding the period in which this proposal was submitted. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

☐ (4) Certificate of Interim Exemption. The offeror hereby certifies that (i) the offeror first exceeded the monetary exemption for disclosure, as defined in (3) of this subsection, in the cost accounting period immediately preceding the period in which this offer was submitted and (ii) in accordance with 48 CFR 9903.202-1, the offeror is not yet required to submit a Disclosure Statement. The offeror further certifies that if an award resulting from this proposal has not been made within 90 days after the end of that period, the offeror will immediately submit a revised certificate to the Contracting Officer, in the form specified under subparagraphs (c)(1) or (c)(2) of Part I of this provision, as appropriate, to verify submission of a completed Disclosure Statement.

CAUTION: Offerors currently required to disclose because they were awarded a CAS-covered prime contract or subcontract of \$50 million or more in the current cost accounting period may not claim this exemption (4). Further, the exemption applies only in connection with proposals submitted before expiration of the 90 day period following the cost accounting period in which the monetary exemption was exceeded.

II. COST ACCOUNTING STANDARDS--ELIGIBILITY FOR MODIFIED CONTRACT COVERAGE

If the offeror is eligible to use the modified provisions of 48 CFR subpart 9903.201-2(b) and elects to do so, the offeror shall indicate by checking the box below. Checking the box below shall mean that the resultant contract is subject to the Disclosure and Consistency of Cost Accounting Practices clause in lieu of the Cost Accounting Standards clause.

☐ The offeror hereby claims an exemption from the Cost Accounting Standards clause under the provisions of 48 CFR 9903.201- 2(b) and certifies that the offeror is eligible for use of the Disclosure and Consistency of Cost Accounting Practices clause because during the cost accounting period immediately preceding the period in which this proposal was submitted, the offeror received less than \$50 million in awards of CAS-covered prime contracts and subcontracts. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

CAUTION: An offeror may not claim the above eligibility for modified contract coverage if this proposal is expected to result in the award of a CAS-covered contract of \$50 million or more or if, during its current cost accounting period, the offeror has been awarded a single CAS-covered prime contract or subcontract of \$50 million or more.

III. ADDITIONAL COST ACCOUNTING STANDARDS APPLICABLE TO EXISTING CONTRACTS

The offeror shall indicate below whether award of the contemplated contract would, in accordance with subparagraph (a)(3) of the Cost Accounting Standards clause, require a change in established cost accounting practices affecting existing contracts and subcontracts.

☐ YES ☐ NO

K.11 INSURANCE - IMMUNITY FROM TORT LIABILITY

The offeror represents that it [] is, [] is not a State agency or charitable institution, and that it [] is not immune, [] is partially immune, [] is totally immune from tort liability to third persons.

K.12 AGREEMENT ON, OR EXCEPTIONS TO, TERMS AND CONDITIONS

The Offeror has reviewed the solicitation (Sections B through J of which will become the contract) and [] agrees to the terms and conditions set forth therein; or [] has the following exceptions (continue on a separate attachment page, if necessary):

K.13 COMPLIANCE WITH VETERANS EMPLOYMENT REPORTING REQUIREMENTS

(a) The Offeror represents that, if it is subject to the reporting requirements of 38 U.S.C. 4212(d)(i.e., the VETS-100 report required by the Federal Acquisition Regulation clause 52.222-37, Employment Reports on Disabled Veterans and Veterans of the Vietnam Era), it has [] has not [] submitted the most recent report required by 38 U.S.C. 4212(d).

(b) An Offeror who checks "has not" may not be awarded a contract until the required reports are filed. (31 U.S.C. 1354)

K.14 SIGNATURE

By signature hereon, or on an offer incorporating these Representations, Certifications, and Other Statements of Offerors, the offeror certifies that they are accurate, current, and complete, and that the offeror is aware of the penalty prescribed in 18 U.S.C. 1001 for making false statements in offers.

Solicitation No. _____

Offer/Proposal No. _____

Date of Offer _____

Name of Offeror _____

Typed Name and Title _____

Signature _____ Date _____

SECTION L - INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS**L.1 NOTICE LISTING SOLICITATION PROVISIONS INCORPORATED BY REFERENCE**

The following solicitation provisions pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the FAR provision at FAR "52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE" in Section L of this solicitation. See FAR 52.252-1 for an internet address (if specified) for electronic access to the full text of a provision.

NUMBER	TITLE	DATE
52.215-1	FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1) INSTRUCTIONS TO OFFERORS--COMPETITIVE ACQUISITION ALTERNATE I (OCT 1997)	MAR 2001
52.219-24	SMALL DISADVANTAGED BUSINESS PARTICIPATION PROGRAM--TARGETS	OCT 2000
52.225-10	NOTICE OF BUY AMERICAN ACT--BALANCE OF PAYMENTS PROGRAM REQUIREMENT-- CONSTRUCTION MATERIALS	FEB 2000
52.237-10	IDENTIFICATION OF UNCOMPENSATED OVERTIME	OCT 1997

L.2 52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (OCT 1997)

(a) Exceptions from cost or pricing data. (1) In lieu of submitting cost or pricing data, offerors may submit a written request for exception by submitting the information described in the following subparagraphs. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable.

(i) Identification of the law or regulation establishing the price offered. If the price is controlled under law by periodic rulings, reviews, or similar actions of a governmental body, attach a copy of the controlling document, unless it was previously submitted to the contracting office.

(ii) Commercial item exception. For a commercial item exception, the offeror shall submit, at a minimum, information on prices at which the same item or similar items have previously been sold in the commercial market that is adequate for evaluating the reasonableness of the price for this acquisition. Such information may include--

(A) For catalog items, a copy of or identification of the catalog and its date, or the appropriate pages for the offered items, or a statement that the catalog is on file in the buying office to which the proposal is being submitted. Provide a copy or describe current discount policies and price lists (published or unpublished), e.g., wholesale, original equipment manufacturer, or reseller. Also explain the basis of each offered price and its relationship to the established catalog price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities;

(B) For market-priced items, the source and date or period of the market quotation or other basis for market price, the base amount, and applicable discounts. In addition, describe the nature of the market;

(C) For items included on an active Federal Supply Service Multiple Award Schedule contract, proof that an exception has been granted for the schedule item.

(2) The offeror grants the Contracting Officer or an authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this provision, and the reasonableness of price. For items priced using catalog or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the offeror's determination of the prices to be offered in the catalog or marketplace.

(b) Requirements for cost or pricing data. If the offeror is not granted an exception from the requirement to submit cost or pricing data, the following applies:

(1) The offeror shall prepare and submit cost or pricing data and supporting attachments in accordance with Table 15-2 of FAR 15.408.

(2) As soon as practicable after agreement on price, but before contract award (except for unpriced actions such as letter contracts), the offeror shall submit a Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2.

L.3 52.216-1 TYPE OF CONTRACT (APR 1984)

The Government contemplates award of a (Cost Plus Fixed Fee) contract resulting from this solicitation.

L.4 52.233-2 SERVICE OF PROTEST (AUG 1996)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from:

Hand-Carried Address:

Carlton Bennett
Regional Contracting Office
USAID/Caucasus
20 Telavi Street
Tbilisi 380003, Georgia

Mailing Address:

Carlton Bennett
Regional Contracting Officer
USAID/Caucasus/Tbilisi
Department of State
Washington D.C. 20521-7060

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

L.5 52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (FEB 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or

offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this/these address(es):

<http://www.arnet.gov/far>

L.6 GENERAL INSTRUCTIONS TO OFFERORS

(a) The offeror should submit the proposal either

(i) electronically - internet email with up to 0 attachments (2MB limit) per email compatible with MS WORD, Excel, Lotus 123 and/or WordPerfect in a MS Windows environment. Only those pages requiring original manual signatures should be sent via facsimile. (Facsimile of the entire proposal is not authorized); or

(ii) via regular mail - sending paper copies of a technical proposal and one original and copies of a cost proposal, however the issuing office receives regular international mail only once a week. All mail is subject to US Embassy electronic imagery scanning methods, physical inspection, and is not date and time stamped prior to receipt by USAID and the Contracting Officer; or

(iii) hand delivery (including commercial courier) of paper copies of a technical proposal and one original and copies of a cost proposal to the issuing office.

(iv) Regardless of the method used the Technical Proposal and Cost Proposal must be kept separate from each other. Technical Proposals must not make reference to pricing data in order that the technical evaluation may be made strictly on the basis of technical merit.

(b) Submission of Alternate Proposals

All offerors shall submit a proposal directly responsive to the terms and conditions of this RFP. If an offeror chooses to submit an alternative proposal, they must, at the same time, submit a proposal directly responsive hereto for any alternate to even be considered.

(c) Government Obligation

The US Government is not obligated to make an award or to pay for any costs incurred by the offeror in preparation of a proposal in response hereto.

L.7 INSTRUCTIONS FOR THE PREPARATION OF THE TECHNICAL PROPOSAL

(a) The Technical Proposal in response to this solicitation should address how the offeror intends to carry out the Statement of Work contained in Section C. It should also contain a clear understanding of the work to be undertaken and the responsibilities of all parties involved. The technical proposal should be organized by the technical evaluation criteria listed in Section M.

(b) The past performance references required by this section shall be included as an annex or attachment of the technical proposal.

(c) Detailed information should be presented only when required by specific RFP instructions. Proposals are limited to 40 pages, OVER 40 PAGES WILL NOT BE EVALUATED, and shall be written in English and typed on standard 8 1/2" x 11" paper (210 mm by 297mm paper), single spaced, 10 characters per inch with each page numbered consecutively. Items such as graphs, charts, cover pages, dividers, table of contents, and attachments (i.e. key personnel resumes, reply to

case studies, table summarizing qualifications of proposed personnel, past performance summary table and past performance report forms) are not included in the 40-page limitation.

(d) The technical proposal should, at a minimum, include the following:

- (i) Offeror's proposed results for this activity. These results shall contribute toward the purpose of further development of the Central Bank of Armenia supervision department, provision of banking supervision and CBA regulatory support and development of CBA's accounting policies and procedures.
- (ii) A detailed Implementation Plan describing the approach, rationale and strategy that will support the results being proposed by the offeror. The successful offeror's Implementation Plan shall be incorporated into the contract resulting from this solicitation.
- (iii) A detailed Milestone Plan (MP) that shall serve as a road map for all contractor activities. The MP shall set forth the major results, activities, and deliverables within the Statement of Work of the contract, which the contractor shall work towards achieving. The MP shall also serve as a monitoring and evaluation tool for both the contractor and USAID. The MP must be established on a semi-annual basis. The MP shall become effective with the award of the contract resulting from this solicitation.
- (iv) The offeror shall submit a management and staffing plan to implement the proposed approach, including resumes of key personnel and signed letters of commitment from each individual being proposed as key personnel. The offeror shall describe management requirements, its relationship with any subcontractors and local partners, its plan for oversight, management and support of any subcontracts, as well as its plan for ensuring coordination and integration of activity components.

L.8 INSTRUCTIONS REGARDING KEY PERSONNEL

The contract proposed by this solicitation includes a key personnel clause, and the quality of key personnel proposed will be an evaluation factor. The offeror must include as part of its proposal a statement signed by each person proposed as key personnel confirming their present intention to serve in the stated position and their present availability to serve for the term of the proposed contract.

L.9 INSTRUCTIONS FOR THE PREPARATION OF THE COST PROPOSAL

(a) Each offeror shall provide a budget for each line item listed in Section B. Supporting information should be provided in sufficient detail to allow a complete analysis of each line item cost. This is to include a complete breakdown of the cost elements associated with each line item and those cost associated with any proposed subcontract.

(b) If the contractor is a joint venture or partnership, the business management proposal must include a copy of the agreement between the parties to the joint venture/partnership. The agreement will include a full discussion of the relationship between the firms including identification of the firm which will have responsibility for negotiation of the contract, which firm will have accounting responsibility, how work will be allocated, overhead calculated, and profit shared, and the express agreement of the principals thereto to be held jointly and severally liable for the acts or omissions of the other.

(c) Detail of the offeror's management structure as it relates to performance of services described in Section C.

(d) The representations and certifications, as set forth in Section K of this solicitation, with the last page signed. This should be completed by subcontractors as well.

(e) A completed Certificate of Current Cost or Pricing Data (see Section J of this solicitation) for itself and each subcontractor, if the subcontract will exceed \$500,000. (This certificate should be re-submitted after negotiations have been concluded and agreement has been reached.)

(f) Audited balance sheets and profit and loss statements or if not available, returns as submitted to Federal tax authorities for the offeror's last two complete fiscal years and for the current fiscal year as of 30 days prior to proposal submission. (The balance sheets and profit and loss statements for the current fiscal year may be unaudited.) The profit and loss statements should include details of the total cost of services sold, and be annotated by either the auditor or offeror to delineate the offeror's indirect expense pool(s) and customary indirect cost distribution base(s).

(g) A copy of the offeror's personnel policies in effect at the time the offer is submitted.

(h) A copy of the offeror's travel policies in effect at the time the offer is submitted.

[End of Provision]

SECTION M - EVALUATION FACTORS FOR AWARD**M.1 EVALUATION CRITERIA**

Technical, cost and other factors will be evaluated relative to each other, as described herein.

(a) The technical proposal will be scored by a technical evaluation committee using the criteria shown in this Section.

(b) The cost proposal will be scored by the method described in this Section.

(c) The criteria below are presented by major category, with relative order of importance, so that offerors will know which areas require emphasis in the preparation of proposals. The criteria below reflect the requirements of this particular solicitation.

Offerors should note that these criteria: (1) serve as the standard against which all proposals will be evaluated, and (2) serve to identify the significant matters which offerors should address in their proposals.

Evaluation Criteria

Technical, cost, and other factors will be evaluated relative to each other, as described herein.

- A technical evaluation committee using the criteria shown in this Section will score the technical proposal.
- The criteria below are presented by major category, with relative order of importance, so that offerors will know which areas require emphasis in the preparation of proposals. The criteria below reflect the requirements of this particular solicitation.

1. Technical Evaluation Criteria (Total Possible Points = 100)**a. Technical approach (45 points)**

The extent to which the proposal sets forth a supportable course of action to cover all aspects necessary for the achievement of the objectives/results described in this solicitation. The proposed technical approach, including the Implementation and Milestone Plans, must be presented in sufficient detail to demonstrate how this activity will be implemented. Points under this section will be assessed according to the following criteria: (i) the accuracy of the description of the current situation in Armenia; (ii) the effectiveness of the technical approach in addressing the problems identified under (i); and (iii) innovativeness.

b. Personnel (30 points)

Personnel will be assessed on the appropriateness of their academic backgrounds and on their years of experience working on banking infrastructure development. Because of a highly technical nature of the project, only individuals with substantial experience at U.S. bank regulatory agencies will be considered. Personnel will be assessed on the basis of (i) the appropriateness of their academic backgrounds and years of experience working on banking infrastructure development, particularly in banking supervision; and ii) their past experience of any of proposed personnel working in Central and Eastern Europe and the former Soviet Union (and in particular Armenia). Points will be awarded separately for key resident staff and short-term personnel.

c. Past Performance (25 points)

USAID will obtain information on the Contractor's demonstrated experience in achieving sustainable results in similar

programs from the USAID Past Performance Reports (PPRs). For significant and relevant ongoing projects for which PPRs are as yet unavailable, similar information will be obtained from cognizant USAID officials. Points will be assigned for (i) the soundness of management practices, including program monitoring and data gathering and analysis; (ii) programmatic capability (i.e., the quality of the technical assistance provided); (iii) the timeliness of performance; (iv) business relations with both USAID and counterparts; (v) financial capability and (vi) final capability.

2. Cost

Points are not awarded for cost, so that cost is of significantly less importance than the scored criteria. However, where proposals are considered essentially equal, cost may be the determining factor. The overall standard for judging cost will be whether the cost proposal presents the best value for the cost. The cost proposal will be judged on: (i) whether it is realistic and consistent with the technical proposal; (ii) overall cost control (avoidance of excessive salaries, excessive home office visits, and other costs in excess of reasonable requirements); and (iii) amount of proposed fee. The cost proposal should include a detailed budget for all two years of the activity.

All schedules necessary to support and explain proposed costs with breakdowns on direct labor, fringe benefits, supplies and equipment, travel and per diem amounts, other direct costs, and indirect costs. Personnel costs, allowances and benefits, such as costs associated with resident and short-term personnel. Travel and transportation costs, including airfares (destinations and number of trips), per diems amounts, taxis, and car rentals. International travel should be identified separately and broken down by destination, number of trips, and number of travelers. Other direct costs such as rent, equipment, supplies, domestic, and international communications. Indirect costs supported with a Negotiated Indirect Cost Rate Agreement (NICRA) from the cognizant agency, if available.

M.2 DETERMINATION OF THE COMPETITIVE RANGE AND CONTRACT AWARD

(a) The competitive range of offerors with whom negotiation will be conducted (if necessary) will be determined by the Contracting Officer based on the above technical and cost evaluation factors, and will be comprised of all offerors whose proposals are determined to have a reasonable chance of being selected for award.

(b) In accordance with FAR 52.215-16, and as set forth in Section L of this solicitation, award will be made by the Contracting Officer to the responsible offeror whose proposal, conforming to the solicitation, is most advantageous to the Government, and the above technical and cost factors considered. The cost and technical factors set forth above will be used by the Contracting Officer as a guide in making a Best Value determination with regard to which proposal will be most advantageous to the Government.

M.3 CONTRACTING WITH SMALL BUSINESS CONCERNS AND DISADVANTAGED ENTERPRISES

USAID encourages the participation of small business concerns and disadvantaged enterprises in this project, in accordance with FAR Part 19 (48 CFR Chapter 1), and AIDAR Part 726 (48 CFR Chapter 7). Accordingly, every reasonable effort will be made to identify and make use of such organizations. All evaluation criteria being found equal, the participation of such organizations may become a determining factor for selection.

ATTACHMENT 1

IDENTIFICATION OF PRINCIPAL GEOGRAPHIC CODE NUMBERS

The USAID Geographic Code Book sets forth the official description of all geographic codes used by USAID in authorizing or implementing documents, to designate authorized source countries or areas. The following are summaries of the principal codes:

(a) Code 000--The United States: The United States of America, any State(s) of the United States, the District of Columbia, and areas of U.S.-associated sovereignty, including commonwealths, territories and possessions.

(b) Code 899--Any area or country, except the cooperating country itself and the following foreign policy restricted countries: Afghanistan, Libya, Vietnam, Cuba, Cambodia, Laos, Iraq, Iran, North Korea, Syria and People's Republic of China.

(c) Code 935--Any area or country including the cooperating country, but excluding the foreign policy restricted countries.

(d) Code 941--The United States and any independent country (excluding foreign policy restricted countries), except the cooperating country itself and the following: Albania, Andorra, Angola, Armenia, Austria, Australia, Azerbaijan, Bahamas, Bahrain, Belgium, Bosnia and Herzegovina, Bulgaria, Belarus, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Gabon, Georgia, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Italy, Japan, Kazakhstan, Kuwait, Kyrgyzstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia*, Malta, Moldova, Monaco, Mongolia, Montenegro*, Netherlands, New Zealand, Norway, Poland, Portugal, Qatar, Romania, Russia, San Marino, Saudi Arabia, Serbia*, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan*, Tajikistan, Turkmenistan, Ukraine, United Arab Emirates, United Kingdom, Uzbekistan, and Vatican City.

(e) Code 110 – Collective for New Independent States of the former Soviet Union.

* Has the status of a "Geopolitical Entity", rather than an independent country.

111-02-016

ATTACHMENTS

ATTACHMENT 2

USAID FORM 1420-17 - CONTRACTOR BIOGRAPHICAL DATA SHEET

Form can be downloaded from the following website:

www.usaid.gov/procurement_bus_opp/procurement/forms

ATTACHMENTS

ATTACHMENT 3

SF LLL - DISCLOSURE OF LOBBYING ACTIVITIES

Form can be downloaded from the following website:

www.usaid.gov/procurement_bus_opp/procurement/forms

ATTACHMENT 4

CERTIFICATE OF CURRENT COST AND PRICING DATA

This is to certify that, to the best of my knowledge and belief, cost or pricing data (as defined in Section 15.801 of the Federal Acquisition Regulation (FAR) and required under FAR subsection 15.804-2) submitted, either actually or by specific identification in writing, to the Contracting Officer or to the Contracting Officer's representative in support of _____ are accurate, complete, and current as of _____.**

FIRM: _____

NAME: _____

TITLE: _____

DATE OF EXECUTION: _____

* Identify the proposal, quotation, request for price adjustment, or other submission involved, giving the appropriate identifying number (e.g., RFP Number).

** Insert the day, month, and year when price negotiations were concluded and price agreement was reached.

*** Insert the day, month, and year of signing, which should be as close as practicable to the date when price negotiations were concluded and the contract price was agreed to.

ATTACHMENT 5

MODEL SMALL BUSINESS/SMALL DISADVANTAGED SUBCONTRACTING PLAN

MODEL SUBCONTRACTING PLAN OUTLINE

Identification Data

Contractor: _____

Address: _____

Solicitation or Contract Number: _____

Project Title: _____

Total Amount of Contract (Including Options) \$ _____

Period of Contract Performance (MO. & YR.) _____

* Federal Acquisition Regulation (FAR), paragraph 19.708(b) prescribes the use of the clause at FAR 52.219-9 entitled "Small Business, Small Disadvantaged Business, and Women Owned Small Business Subcontracting Plan." The following is a suggested model for use when formulating such subcontracting plan. While this model plan has been designed to be consistent with 52.219-9, other formats of a subcontracting plan may be acceptable. However, failure to include the essential information as exemplified in this model may be cause for either a delay in acceptance or the rejection of a bid or offer where the clause is applicable. Further, the use of this model is not intended to waive other requirements that may be applicable under FAR 52.219-9. "SUBCONTRACT" as used in this clause, means any agreement (other than one involving an employer-employee relationship (entered into a Federal Government prime contractor or subcontractor calling for supplies or services required for performance of the contract or subcontract

1. Type of Plan (Check One)

____ Individual plan (All elements developed specifically for this contract and applicable for the full term of this contract).

____ Master plan (Goals developed for this contract; all other elements standard; must be renewed annually).

____ Commercial products plan (Contractor sells large quantities of off-the-shelf commodities to many Government agencies. Plans/goals negotiated by a lead agency on a company-wide basis rather than for individual contracts. Plan effective only during year approved. Contractor must provide copy of lead agency approval).

2. Goals

State separate dollar and percentage goals for small business concerns, small disadvantaged business concerns, and women-owned small business concerns as subcontractors as specified in FAR 52.219-9 and FAR 19.704(a)(1).

A. Total estimated dollar value of all planned subcontracting, i.e., with all types of organizations under this contract, is \$_____.

B. Total estimated dollar value and percentage of planned subcontracting with small business concerns:

\$ _____ and _____ % *

C. Total estimated dollar value and percentage of planned subcontracting with small disadvantaged business concerns: \$ _____ and _____ % *

D. Total estimated dollar value and percentage of planned subcontracting with women-owned small business concerns: \$ _____ and _____ % *

(*Expressed as a percentage of "A")

E. Description of all the products and/or services to be subcontracted under this contract, and an indication of the types of organizations supplying them: (i.e., LARGE BUSINESS (LB), SMALL BUSINESS (SB), SMALL DISADVANTAGED BUSINESS (SDB), AND WOMEN-OWNED SMALL BUSINESS (W-OSB).

(check all that apply)

Subcontracted Product/Service	LB	SB	SDB	W-OSB

(Attach additional sheets if necessary.)

F. A description of the method used to develop the subcontracting goals for small, small disadvantaged, and women-owned small business concerns (i.e., explain the method and state the quantitative basis (in dollars) used to establish the percentage goals; also, explain how the areas to be subcontracted to small, small disadvantaged, and women-owned small business concerns were determined, and how the capabilities of small, small disadvantaged, and women-owned small businesses were determined -- include any source lists used in the determination process).

G. Indirect costs have been _____ have not been _____ included in the dollar and percentage subcontracting goals stated above. (check one)

H. If indirect costs have been included, explain the method used to determine the proportionate share of such costs to be allocated as subcontracts to small business, small disadvantaged business, and women-owned small business concerns.

3. Program Administrator

Name, title, position within the corporate structure, and duties and responsibilities of the employee who will administer the contractor's subcontracting program.

Name: _____

Title: _____

Address: _____

Telephone: _____

Duties: Has general overall responsibility for the contractor's subcontracting program; i.e., developing, preparing, and executing individual subcontracting plans and monitoring performance relative to the requirements of this particular plan. These duties include, but are not limited to, the following activities:

A. Developing and promoting company-wide policy initiatives that demonstrate the company's support for awarding contracts and subcontracts to small, small disadvantaged, and women-owned small business concerns; assuring that small, small disadvantaged, and women-owned small businesses are included on the source lists for solicitations for products and services for which they are capable of providing;

B. Developing and maintaining bidder's lists of small, small disadvantaged, and women-owned small business concerns from all possible sources;

C. Ensuring periodic rotation of potential subcontractors on bidder's lists;

D. Ensuring that procurement "packages" are designed to permit the maximum possible participation of small, small disadvantaged, and women-owned small businesses;

E. Making arrangements for the utilization of various sources for the identification of small, small disadvantaged, and women-owned small businesses such as the SBA's Procurement Automated Source System (PASS), the National Minority Purchasing Council Vendor Information Service, the Office of Minority Business Data Center in the Department of Commerce, and the facilities of local small business and minority associations, and maintaining contact with the Federal agency's Small and Disadvantaged Business Utilization Specialist.

F. Overseeing the establishment and maintenance of contract and subcontract award records;

G. Attending or arranging for the attendance of company counselors Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs, Procurement Conferences, etc.;

H. Ensuring small, small disadvantaged, and women-owned small business concerns are made aware of subcontracting opportunities and of how to prepare responsive bids to the company;

I. Conducting or arranging for the conduct of training for purchasing personnel regarding the intent and impact of Public Law 95-507 et seq on purchasing procedures;

J. Monitoring the company's performance and making any adjustments necessary to achieve the Subcontracting Plan goals;

K. Preparing and submitting timely, required Subcontracting Reports, including SF 294 and SF 295;

L. Coordinating the company's activities during the conduct of compliance reviews by Federal agencies; and,

M. Other duties: _____

4. Equitable Opportunity

Describe efforts the offeror will make to ensure that small, small disadvantaged, and women-owned small business concerns will have an equitable opportunity to compete for subcontracts. These efforts include, but are not limited to the following activities:

A. Outreach efforts to obtain sources:

1. Contacting minority and small business trade association;
2. Contacting business development organizations;
3. Attending small and minority business procurement conferences and trade fairs; and
4. Requesting sources from the Small Business Administration's Procurement Automated Source System (PASS).
5. Placing newspaper and magazine ads which encourage new sources.

B. Internal efforts to guide and encourage purchasing personnel:

1. Presenting workshops, seminars, and training programs;
2. Establishing, maintaining, and using small, small disadvantaged, and women-owned small businesses source lists, guides, and other data for soliciting subcontracts; and
3. Monitoring activities to evaluate compliance with the Subcontracting Plan.

C. Additional efforts: _____

5. Flow-Down Clause

The contractor agrees to include the provisions under FAR 52.219-8, "Utilization of Small Business Concerns, Small Disadvantaged Business Concerns, and Women-Owned Small Business Concerns", in all subcontracts that offer further subcontracting opportunities. All subcontractors, except small business concerns, that receive subcontracts in excess of \$500,000 (\$1,000,000 for construction) must adopt and comply with a plan similar to the plan required by FAR 52.219-9, "Small Business, Small Disadvantaged Business, and Women-Owned Small Business Subcontracting Plan." Ref. FAR 19.704 (a) (4)

6. Reporting and Cooperation

The contractor gives assurance of (1) cooperation in any studies or surveys that may be required; (2) submission of periodic reports which show compliance with the Subcontracting Plan; (3) submission of Standard Form SF 294, "Subcontracting Report for Individual Contracts, "and SF 295, "Summary Subcontract Report," in accordance with the instructions on the forms; and (4) ensuring that subcontractors agree to submit SF 294 and SF 295.

Reporting Period	Report	Due
Oct 1 - Mar 31	SF 294	04/30
Apr 1 - Sep 30	SF 294	10/30
Oct 1 - Sep 30	SF 295	10/30

ADDRESSES

(a) SF 294 and

(b) SF 295 to be submitted to:

Director
Office of Small and Disadvantaged Business
Utilization/Minority Resource Center
U.S. Agency for International Development
Washington, DC 20523-1414

7. Recordkeeping

The following is a recitation of the types of records the contractor will maintain to demonstrate the procedures adopted to comply with the requirements and goals in the Subcontracting Plan. These records will include, but not be limited to, the following:

A. Small, small disadvantaged, and women-owned small business concerns source lists, guides, and other data identifying such vendors;

B. Organizations contacted in an attempt to locate small, small disadvantaged, and women-owned small business sources;

C. On a contract-by-contract basis, records on all subcontract solicitations over \$100,000 which indicate for each solicitation (1) whether small business concerns were solicited, and if not, why not; (2) whether small disadvantaged business concerns were solicited, and if not, why not; (3) whether women-owned small business concerns were solicited, and if not, why not; and (4) reason for the failure of solicited small, small disadvantaged, or women-owned small business concerns to receive the subcontract award;

D. Records to support other outreach efforts, e.g., contacts with minority and small business trade associations, attendance at small and minority business procurement conferences and trade fairs;

E. Records to support internal guidance and encouragement provided buyers through (1) workshops, seminars, training programs, incentive awards; and (2) monitoring of activities to evaluate compliance; and

F. On a contract-by-contract basis, records to support subcontract data including the name, address, and business size of each subcontractor. (This item is not required for company or division- wide commercial products plans.)

G. Additional records: _____

This subcontracting plan was submitted by:

Signature: _____

Typed Name: _____

Title: _____

Date Prepared: _____

Phone No.: _____

ATTACHMENTS

ATTACHMENT 6

SF 294 - SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACTS

Form can be downloaded from the following website:

www.usaid.gov/procurement_bus_opp/procurement/forms

111-02-016

ATTACHMENTS

ATTACHMENT 7

AID 1420 - 65 AID CONTRACTOR EMPLOYEE PHYSICAL EXAMINATION FORM

Form can be downloaded from the following website:

www.usaid.gov/procurement_bus_opp/procurement/forms

ATTACHMENTS

ATTACHMENT 8

MISSION STRATEGY DOCUMENT

The USAID/Armenia Strategy can be found at the following website:

<http://www.usaid.gov/countries/am>

ATTACHMENTS

ATTACHMENT 9

LIST OF REPORTS

Project Reports for the Bank Supervision Phase I - prepared by Barents Group of KPMG Consulting.

The reports can be found at the following website:

<http://www.usaid.gov/countries/am>

ATTACHMENT 10

USAID/ARMENIA FSN COMPENSATION PLAN

AMEMBASSY YEREVAN, ARMENIA

AUTHORIZATION: STATE 95558 DATED 06/01/01

CURRENCY DENOMINATED IN USD

EFFECTIVE

DATE: 08/12/01

PAID IN AMD

Grade	Step-1	Step-2	Step-3	Step-4	Step-5	Step-6	Step-7	Step-8	Step-9	Step-10	Step-11	
12	14,572.00	15,009.00	15,446.00	15,883.00	16,320.00	16,757.00	17,194.00	17,631.00	18,068.00	18,505.00	18,942.00	1
11	13,248.00	13,645.00	14,042.00	14,439.00	14,836.00	15,233.00	15,630.00	16,027.00	16,424.00	16,821.00	17,218.00	1
10	11,868.00	12,224.00	12,580.00	12,936.00	13,292.00	13,648.00	14,004.00	14,360.00	14,716.00	15,072.00	15,428.00	1
9	10,201.00	10,507.00	10,813.00	11,119.00	11,425.00	11,731.00	12,037.00	12,343.00	12,649.00	12,955.00	13,261.00	1
8	8,997.00	9,267.00	9,537.00	9,807.00	10,077.00	10,347.00	10,617.00	10,887.00	11,157.00	11,427.00	11,697.00	1
7	8,180.00	8,425.00	8,670.00	8,915.00	9,160.00	9,405.00	9,650.00	9,895.00	10,140.00	10,385.00	10,630.00	1
6	5,842.00	6,017.00	6,192.00	6,367.00	6,542.00	6,717.00	6,892.00	7,067.00	7,242.00	7,417.00	7,592.00	1
5	5,312.00	5,471.00	5,630.00	5,789.00	5,948.00	6,107.00	6,266.00	6,425.00	6,584.00	6,743.00	6,902.00	1
4	4,829.00	4,974.00	5,119.00	5,264.00	5,409.00	5,554.00	5,699.00	5,844.00	5,989.00	6,134.00	6,279.00	1
3	4,252.00	4,380.00	4,508.00	4,636.00	4,764.00	4,892.00	5,020.00	5,148.00	5,276.00	5,404.00	5,532.00	1
2	3,865.00	3,981.00	4,097.00	4,213.00	4,329.00	4,445.00	4,561.00	4,677.00	4,793.00	4,909.00	5,025.00	1
1	3,508.00	3,613.00	3,718.00	3,823.00	3,928.00	4,033.00	4,138.00	4,243.00	4,348.00	4,453.00	4,558.00	1

Step rates 12, 13, and 14 are longevity step rates, each with a 156 week waiting period.

Effective February 8, 2001, an employee with less than two weeks of accrued sick leave may request up to four hours of excused absence per year in order to participate in preventative health screenings. Excused absence is paid time off without loss of pay or charge to leave.